

CHAPTER I

INTRODUCTION

1.1 Background

The ongoing globalization process has undoubtedly had a profound influence on the evolution of our times, bringing about significant changes in human life. In the past, people primarily accessed information through radio or print media. However, as media evolved, bolstered by advances in technology, information became easily obtainable and accessible. One field experiencing significant growth is communication technology.

Communication technology encompasses the tools, systems, and methods utilized to transmit, receive, and process information, data, and messages between individuals, organizations, or devices connected to a network. This technology has emerged out of human necessity to simplify a range of activities, from daily tasks to work-related endeavors. In the current era, time efficiency is vital to job completion. The role of communication technology in expediting work processes is evident in the widespread adoption of devices such as smartphones.

A smartphone is an electronic device engineered to offer cellular phone functions and internet access in a single, portable unit. Beyond basic features like voice calls and text messages, smartphones provide internet access for web surfing, sending and receiving emails, and utilizing diverse online applications such as social media, online banking, and video streaming. As a result, demand for smartphones has been on the rise year after year. This surge in demand has triggered rapid annual growth in smartphone production and development. Consequently, numerous smartphone manufacturers continually innovate their product lines.

However, manufacturers are tasked with more than just product creation; they must also understand the desires and requirements of consumers. These can be inferred from consumer behaviors in attaining product satisfaction. According to Adnan (2018), consumer behavior refers to the activities of individuals directly involved in acquiring and using goods and services, encompassing decision making

processes and the determination of these activities. Factors such as Lifestyle, features, product quality, promotions, and prices influence consumer behavior. If marketers fail to grasp the factors affecting consumer needs and desires, this could lead to unfavorable buying decisions, and marketing efforts may prove unsuccessful.

Companies research on consumer behavior in smartphone Purchasing Decision tends to favor Lifestyle over product features, or in other words, is influenced by the 'prestige' factor. Lifestyle plays a significant role in impacting consumer purchasing decisions. As per Liestiana (2014), there was a time when people purchased items not for their intrinsic value but for Lifestyle reasons or to project a certain image. Kotler 2002 in Mufarizzaturrizkiyah (2020), define Lifestyle as a person's pattern of action and purchases made within the realm of activities, interests, and opinions.

A current real world example is the dominance of the iPhone brand in the smartphone market. It has managed to secure the top position in global market share, outperforming competitors like Samsung, which ranks second worldwide. This information is based on statistical data gathered by the International Data Corporation's (IDC) Worldwide quarterly mobile phone tracker survey. This data is illustrated in the following table:

Table 1.1 Top 5 Smartphone Companies, Worldwide shipments, Market share and Year-Over-Growth, 2020Q2 (Shipments in millions of units)

Company	2022Q4 Shipment Volumes	2022Q4 Market share	2021Q4 Shipment Volumes	2021Q4 Market share	Year-Over-Year Change
Apple	72,30	24.1%	85,00	23.1%	-14.9%
Samsung	58,20	19.4%	69,00	18.8%	-15.6%
Xiaomi	33,20	11.0%	45,00	12.2%	-26.3%
OPPO	25,30	8.4%	30,10	8.2%	-15.9%
Vivo	22,90	7.6%	28,30	7.7%	-18.9%
Others	88,30	29.4%	110,20	30.0%	-19.8%
TOTAL	300,30	100.0%	367,60	100.0%	-18.3%

Source : IDC Quarterly Mobile Phone Tracker, January 25th, 2023

In addition to Lifestyle, product features also play a crucial role in purchase decisions. If the product selected by the consumer fails to meet a high-quality

standard, the consumer is likely to opt for a different product whose quality better matches their expectations.

The iPhone, with its unique features compared to other smartphones, attracts potential buyers even though it carries a hefty price tag. Nonetheless, the iPhone's dominance in market share can't be divorced from its inherent brand value. Many people believe that using renowned, premium products like the iPhone can reflect their social status and style. Despite other brands offering quality features that are highly competitive or even superior to those of the iPhone, the latter still retains a loyal consumer base.

For instance, in 2021, Samsung launched a new cell phone model boasting a camera with a zoom feature that allows users to capture high-quality photos from a distance, a feature the iPhone did not have at that time. Yet, the iPhone continues to enjoy a broad fan base, even with the availability of other brands that offer top-tier features at relatively affordable prices. This can be attributed to the pervasive consumer perception that owning an iPhone is an indicator of social status.

Given the context outlined above, The Author are intrigued to explore the relationship between Lifestyle and product features as driving factors for purchasing iPhone products. Therefore, a study was initiated on **“The Influence of Lifestyle and Product Features on Purchase Decisions for iPhone Products (Study at State Polytechnic of Bengkalis)”**

1.2 Formulation of the Problem

Based on the previously outlined background, the Author can formulate the research problem as follows: "How is the influence of Lifestyle and Product Features on Purchase Decision for iPhone products at the State Polytechnic of Bengkalis"

1.3 Purpose of the Study

From the problem statement described above, the objectives of this research are:

1. To determine the influence of Lifestyle on Purchase Decision for iPhone products at State Polytechnic of Bengkalis.
2. To determine the influence of Product Features on Purchase Decision for iPhone products at State Polytechnic of Bengkalis.
3. To determine the influence of Lifestyle and Product Features on Purchase Decisions for iPhone products at State Polytechnic of Bengkalis.

1.4 Significance of the Study

The expected benefits of conducting this research include :

1. For The Author

This research aims to enhance The Author knowledge and foster continued exploration of new information, both theoretically and practically, and satisfy graduation requirements for a bachelor's degree at The Author institution.

2. For the International Business Administration Study Program

This research can serve as a valuable resource for the study program, aiding academic objectives.

3. For Third Parties

The research outcomes can act as a reference for future studies, contribute to the advancement of science, and provide valuable insights for future researchers exploring the influence of Lifestyle and Product Features on purchasing decisions.

1.5 Scope and Limitation of the Problem

To ensure focused results and facilitate problem comprehension, The Author has defined the scope and limitations of the research as follows:

1. This study concentrates on the influence of Lifestyle and Product Features on iPhone product purchasing decisions.
2. The research is conducted within the State Polytechnic of Bengkalis community.

1.6 Writing System

To clarify the structure of this research, a writing system has been developed detailing the material discussed in each chapter. The system is as follows:

CHAPTER 1 : INTRODUCTION

The Author outlines the background, problem formulation, study objectives, significance of the study, scope and limitations, and writing system of the final report.

CHAPTER 2 : LITERATURE REVIEW

The Author presents the theoretical foundation used in the research, including related theories, literature review, and framework.

CHAPTER 3 : RESEARCH AND METHODOLOGY

The Author explains various aspects including study location, time, and object, data types and sources, population and sample, sampling techniques, data collection and processing techniques, scale of measurement, test validity and reliability, data analysis methods, research hypotheses, research models, study types, definitions and operational variables, and study schedule and budget.

CHAPTER 4 : RESULT AND DISCUSSION

This chapter presents the results and their discussion, limitations of the research results, and theoretical explanations of the results.

CHAPTER 5 : CONCLUSION

This chapter provides the conclusions and recommendations derived from the research.