

The Influence of Product Innovation and Brand Image on the Decision to Purchase a Xiaomi Handphone at the Lapak Xiaomi Kupang Store

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Abstract— This research is entitled *The Influence of Product Innovation and Brand Image on the Decision to Purchase Xiaomi Mobile Phones at the Kupang Xiaomi Shop*. Research Questions: 1. Does product innovation influence the decision to purchase a Xiaomi cellphone at the Kupang Xiaomi Lapak Store? 2. Does brand image influence the decision to purchase a Xiaomi cellphone at the Xiaomi Kupang Lapak Store? The aim of the research is: To determine the influence of product innovation on the decision to purchase a Xiaomi Brand Mobile Phone at the Xiaomi Lapak Shop in Kupang and to determine the influence of brand image on the decision to purchase a Xiaomi Brand Mobile Phone at the Xiaomi Lapak Shop in Kupang. The research method in this research is the population and sample of customers/buyers at the Lapak Xiaomi Kupang shop, a total of 96 respondents. The data collection technique in this research uses a questionnaire while the data analysis technique uses multiple linear regression analysis, partial test (*t* test), simultaneous test (*F* test), and coefficient of determination (*R*²). Based on the results of the preliminary analysis: Product Innovation, the total of all indices is 209.4 and the average index value for the product innovation variable is 69.8 which is in the medium category, meaning that educational background needs to be maintained and further improved. The total brand image of all indices is 317.6 and the average index value for the brand image variable is 79.4 which is in the high category, meaning that the brand image needs to be maintained and improved further. Purchasing decisions are based on the respondents' answers above. From the total index obtained, it is 332.9, so the average index value for the purchasing decision variable is 83.225, which is in the high category, meaning that work ethic needs to be maintained and improved further. Based on the multiple linear regression equation: $Y = 8.643 + 0.392 X_1 + 0.493 X_2 + e$. It is known that the value of the constant *a* is 8.643, while the coefficient *b*₁ is 0.392 and *b*₂ is 0.493. Thus, from the multiple linear regression equation above, it can be explained that the constant value is 8.643, meaning that if the value of product innovation (*X*₁) and brand image (*X*₂) is equal to zero, the purchasing decision (*Y*) has a value of 8,643. while the regression coefficient (*b*₁) is 0.392, meaning that if product innovation (*X*₁) increases by 1 unit, then purchasing decisions (*Y*) will increase by 0.392. A positive coefficient means that there is a positive influence between product innovation (*X*₁) and purchasing decisions (*Y*). and the regression coefficient (*b*₂) is 0.493, meaning that if the brand image (*X*₂) increases by 1 unit, then purchasing decisions (*Y*) will increase by 0.493. A positive coefficient means that there is a positive influence between brand image (*X*₂) and purchasing decisions (*Y*).

Keywords— Product Innovation, Brand Image, Purchase Decision.

I. INTRODUCTION

In the current era of telecommunications digitization, consumers are faced with various kinds of tools and technology that offer convenience with various very sophisticated and attractive features. Communication technology in the era of digitalization is increasingly gaining a place as one of the businesses that is growing rapidly today, this is certainly a challenge and encourages all technology companies in the world to create products that can meet market needs. Brand image according to Kotler and Keller (2016) is the consumer's perception of a brand as a reflection of the associations that exist in the consumer's mind. Brand image is an association that appears in consumers' minds when they remember a particular brand. These associations can simply appear in the form of certain thoughts and images associated with a brand.

A purchasing decision is a final decision that a consumer has to purchase a good or service with various certain considerations. Purchasing decisions made by consumers describe how far marketers are in their efforts to market a product to consumers. Purchasing decisions are a process of making consumer decisions about purchases that combine knowledge to choose two or more alternative products available which are influenced by several factors, including quality,

price, location, promotion, convenience and service. According to Kotler (2011), purchasing decisions are the actions of consumers whether they want to buy or not a product from various factors that influence consumers in purchasing a product or service, usually consumers always consider quality, price and whether the product is known to the public. Decision making by consumers to purchase products or services begins with awareness of the fulfillment of needs or desires and awareness of subsequent problems.

Purchasing decisions are the consumer process in choosing or deciding to buy a product or service. "The decision-making process for purchasing can be divided into five stages, namely recognizing needs, seeking information, evaluating alternatives, making decisions, post-purchase evaluation." (Suryani, 2012: 17). Toko Lapak Xiaomi Kupang is one of the shops that sells Xiaomi smartphone products. To get an idea of the level of sales at the Xiaomi Kupang Lapak Shop, based on the results of observations, researchers from the Kupang Xiaomi Lapak Shop obtained several data, including the sales results of Xiaomi cellphones in the last three months, namely March – May 2023 at the Kupang Xiaomi Lapak Shop.

From the data in the sales table above, it shows that there is a decline in sales every year at the Lapak Xiaomi Kupang store. In 2021 cellphone sales can sell 4,691 cellphone units, and in

2022 they can sell 3,006 cellphone units and in 2023 they can only sell 2,543 units.

TABLE 1.1. Xiaomi Kupang Stall Sales Data

No	Year	Sales Achievement
1.	2021	4.691 units
2.	2022	3.006 units
3.	2023	2.543 units
Total		10. 240 units

Data Source: Xiaomi Kupang Shop

Buyer decisions are a long-term strategy to encourage product providers to meet consumers' needs. Product providers should be able to find ways to overcome these problems so that consumers can decide to purchase the product. The marketing carried out by the company makes business people who sell their product brands also carry out attractive marketing strategies. The marketing offered by each business actor who sells Xiaomi Smartphone products varies, this is because each business actor has a different planning and operational system.

Good marketing not only helps businesses introduce their product brands easily, but also helps sales performance. At the Lapak Xiaomi Store itself, in marketing Xiaomi Smartphone products, they carry out a marketing strategy by providing various kinds of promotions that have been prepared by the management of the Lapak Xiaomi store, namely through brochures distributed on the streets and social media such as Tik Tok, Instagram, WhatsApp, marketplace and other social media. And provide various interesting things when buying cellphone products at their shop. By assessing the influence of product innovation and brand image, it is hoped that we can determine the influence on consumers' purchasing decisions for Xiaomi cellphones at the Kupang Xiaomi Lapak Store.

II. THEORETICAL BASIS

Product innovation is the latest idea that provides added value and has a positive impact on human life. Therefore, product innovation is usually related to technology as well. In general, product invasion is a way to create new products aimed at meeting consumer needs and desires. 1) According to Sutomo (2012), product innovation is the process or result of developing or utilizing skills and experience to create or improve new products (goods or services), processes or systems that provide significant value. According to Haryanti and Nursusila (2016), product innovation is innovation used in all company operations where a new product is created and marketed, including innovation in all functional processes or uses. According to (B. D. Prasetyo, 2020: 37)

Product innovation is an interesting new inspiration that can be developed. Innovation is used intentionally to create interesting development and strategy goals. In order to be able to compete with other companies, innovation must continue to be carried out and developed. According to (Abdjul et al., 2018) Product innovation is one way to provide additional points which is one of the key components of successful business operations, which can provide a competitive advantage for companies that require quality products and according to Crawford and De Benedetto in Dewi (2010) product innovation is "Innovation used in the entire company's operations where a

new product is created and marketed, including innovation in all functional processes or uses.

According to Fandy Tjiptono and Gregorius Chandra (2012), the innovation process The product has the following stages: Idea generation stage, The new product development process begins with a search for ideas that come from a number of sources, Screening Stage Aimed at eliminating or evaluating new concepts, Business analysis aims to get as comprehensive a picture as possible of the financial impact that can be had by introducing a new product, Development Stage Some ideas that emerge must be changed to be as perfect as possible with concepts that are tested first by the company, Testing stage This stage provides a more detailed assessment of the new product's chances of success, identifies the final adjustments a product needs and determines the important elements of the marketing program used to introduce the new product and Commercialization Stage This stage is related to the planning and implementation of a new product launch strategy, namely having several components of the right time to launch a new product, branding the new product, coordinating with marketing programs that support the introduction of the new product.

According to Gitosudarmo (2015:84), there are (six) meanings that can be conveyed through a brand, namely: Identification means to facilitate the process of handling or tracking products for the company, Form legal protection for unique product features or aspects. Signal the quality level for satisfied customers, so they can easily choose and buy again at a later time. Signal the quality level for satisfied customers, so they can easily choose and buy again at a later time, A means of creating unique associations and meanings that differentiate the product from competitors, Source of competitive advantage, especially through legal protection, customer loyalty, and a unique image created in the minds of consumers, Sources of financial returns mainly concern future income. From the explanation above, it can be concluded that a brand is a sign in the form of an image, name, word, letter, number, color arrangement or combination of these elements or a symbol that has distinguishing power and is used in trading activities in goods and services.

According to Kotler (2013:344), brand image is the overall perception of a brand and is formed from past information about the brand. Brand image is related to attitudes in the form of beliefs and preferences towards a brand. Consumers who have a positive image of consumers buy something, not just because they need the item, but there is something else they expect. Something else is in accordance with the image formed within him. Therefore, it is very important for organizations to provide information to the public in order to form a good image. This term image became popular since the 1950s, which was put forward in various contexts such as the image of the organization. Company image, national image, brand image, public image, self-image and so on.

According to Kotler (2013:346), brand image is the perception and belief held by consumers, as reflected in the associations that occur in consumer memory, brand image indicators, namely attributes, benefits and value. According to Lamb (2011) the meaning of brand can be divided into: Brand

Name (Brand Name) A brand name is a part of the brand name that can be pronounced. Examples include Avon, Chevrolet, and Disneyland, Brand sign (Brand image) A brand sign is a part of a brand that can be recognized, but cannot be pronounced, such as a symbol, design, lettering or special color. An example is the three diamonds from Mitsubishi, Trademark (Trademark) A trademark is a brand or part of a brand that is protected by law because of its ability to produce something special. This trademark protects the seller with the privilege to use the brand name and/or service mark, Copyright (Copy Right) Copyright is a privilege protected by law to produce, publish and sell written works or works of art.

According to Kotler and Keller (2012, p. 166) state that purchasing decisions are all experiences in traveling, selecting, using and even getting rid of products. In purchasing decisions, there are generally five types of roles that a person can play. These five roles include, Kotler (2012:124-135). Initiator (Initiator) The initiator is the person who first realizes that there is a desire or need that has not been met and proposes the idea of purchasing a particular good or service, Influencer (Influencer) Is a person who provides views, advice or opinions so that they can help purchasing decisions, Decision maker (Decider) This is the person who determines purchasing decisions, whether to buy, what to buy, how to buy, or where to buy, Buyer: This is the person who makes the actual (real) purchase, User: This is a person who consumes or uses goods or services that have been purchased.

III. FRAMEWORK

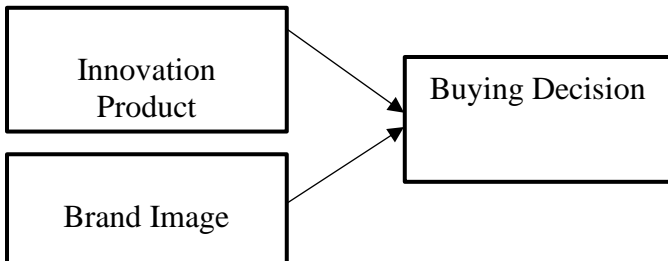


Figure 2.1. Framework of thinking

From the picture above it can be explained that product innovation can have a positive and significant influence on purchasing decisions, brand image has a positive and significant influence on purchasing decisions.

TABLE 3.1. Multiple Linear Regression Analysis

Draft	Coefficient Regression	T count	Level significant
Constant	8.643	3.084	0.003
Innovation Product	0.392	2.995	0.004
Brand Image	0.493	5.651	0.000

Data source: Appendix

Based on the results of the analysis in the table above, it can be seen that the multiple linear regression equation shows the influence of product innovation (X1) brand image (X2) on purchasing decisions (Y) as follows: $Y = 8.643 + 0.392 X1 + 0.493 X2 + e$.

The constant value is 8.643, meaning that if the variable value of product innovation and brand image is equal to zero then the purchasing decision is 8.643, The value of the product innovation coefficient (X1) = 0.392, meaning that if the product innovation variable (X1) increases by one unit, the purchasing decision variable (Y) will increase by 0.392 units. The brand image coefficient value (X2) = 0.493, meaning that if the brand image variable (X2) increases by one unit, the purchasing decision variable increases by 0.493 units.

The F test was carried out to see the influence of the product innovation variables (X1) and brand image (X2) on the purchasing decision variable (Y) together. To test the hypothesis, the F-table test will be used with the following criteria: If $F_{count} \geq F_{table}$, H_a is accepted, H_o is rejected, If $F_{count} < F_{table}$, H_a is rejected, H_o is accepted Based on the analysis results, the calculated F value is 46.868 and the F table value is 3.09. Thus, H_a is accepted and H_o is rejected because the calculated F value $> F_{table}$ ($46.868 > 3.09$) which means that together the two product innovation variables (X1) and the brand image variable (X2) have a significant effect on purchasing decisions (Y).

From the results of calculating the contribution of product innovation and brand image variables to purchasing decisions, the coefficient of determination (R2) can be seen that the coefficient of determination R2 is 0.491 or 49.1%. This means that the contribution of the independent variables, namely product innovation (X1) and brand image (X2), to explain the dependent variable, namely purchasing decisions (Y), is 49.1%. Thus it can be concluded that the independent variables product innovation (X1) and brand image (X2) are able to provide the required information and are able to explain the dependent variable, namely purchasing decisions (Y). Meanwhile, the other 51.9% contribution is caused by other factors not examined in this research.

IV. DISCUSSION AND ANALYSIS RESULTS

The product innovation variable has 3 statements, where the first statement is whether the Xiaomi Lapak Shop promotes the latest Xiaomi cellphones which have better specifications than previous products, there is an answer score of (6) there are 7 respondents, there are 11 respondents who answer the answer score (7), there are 33 respondents who answer the answer score (8), 27 respondents who answer the answer score (9), 18 respondents who answer the answer score (10), with a total index of 59.7 are in the medium category. The second statement is whether the Xiaomi Lapak Shop sells the latest Xiaomi cellphones at affordable prices. There were an answer score of (6) there were 4 respondents, those who answered the answer score (7) were 15 respondents, those who answered the answer score (8) were 42 respondents, those who answered the answer score (9) were 27 respondents, those who answered the answer score (10) were 8 respondents with a total index of 77.9 in the high category.

The third statement is using a Xiaomi cellphone to make work easier. There were 6 respondents with an answer score of (6), 8 respondents who answered an answer score of (7), 38 respondents who answered an answer score of (8), 18 respondents who answered an answer score of (9), 16

respondents who answered an answer score of (10) with an index of 71.8 in the high category. The defense decision variable has 4 statements where the first statement is I am interested in buying a Xiaomi cellphone and I will buy a Xiaomi cellphone, there is an answer score of (6) there are 2 respondents, there are 19 respondents who answer the answer score (7), there are 24 respondents who answer the answer score (8), 24 respondents who answer the answer score (9), 27 respondents who answer the answer score (10), with a total index of 82.3.

The second statement is: Before buying, I looked for information about Xiaomi cellphones, there was an answer score of (6) there were 8 respondents, those who answered the answer score (7) were 11 respondents, those who answered the answer score (8) were 27 respondents, those who answered the answer score (9) were 24 respondents, those who answered the answer score (10) were 26 respondents with a total index of 81.7. The third statement is I intend to buy Xiaomi products in the future, there are, answer score (6) there are 2 respondents, who answered, answer score (7) there are 10 respondents, who answered answer score (8) there are 29 respondents, who answered answer score (9) there are 25 respondents with a total index of 83.9. The fourth statement is I am satisfied after buying Xiaomi products, there are 2 respondents with an answer score of (6), 11 respondents who answered the answer score (7), 22 respondents who answered the answer score (8), 25 respondents who answered the answer score (9), 36 respondents who answered the answer score (10), with a total index of 85.

The lowest index value for the product innovation variable is in the first statement with an index value of 59.7 and is in the medium category and the highest index value is in statement two with an index value of 77.9. The average value of the product innovation variable index is 69.8 and is in the high category. The third statement is I am interested in the Xiaomi brand, there are 11 respondents with an answer score of (6), 15 respondents who answered an answer score of (7), 28 respondents who answered an answer score of (8), 28 respondents who answered an answer score of (9), 20 respondents who answered an answer score of (10), with an index of 79.3. The fourth statement is I will buy this Xiaomi brand again in the future, there are 6 respondents with an answer score of (6), 24 respondents with an answer score of (7), 26 respondents with an answer score of (8), 19 respondents with an answer score of (9), 21 respondents with an answer score of (10) with a total index of 79.3.

The brand image variable has 4 statements where the first statement is that the Xiaomi cellphone logo is easy to remember, there are an answer score of (5) there are 2 respondents, those who answered the answer score (6) there are 3 respondents, those who answered the answer score (7) there are 17 respondents, those who answered the answer score (8) there are 30 respondents, those who answered the answer score (9) there are 21 respondents, those who answered the answer score (10) there are 23 respondents with a total index of 80.6. The second statement is that Xiaomi has an interesting design, there is an answer score of (5) there are 1 respondents, there are 5 respondents who answered the answer score (6), those who answered the answer score (7) there are 24 respondents, those

who answered the answer score (8) there are 28 respondents, those who answered the answer score (9) there are 23 respondents, those who answered the answer score (10) there are 15 respondents with a total index of 78.4.

The defense decision variable has 4 statements where the first statement is I am interested in buying a Xiaomi cellphone and I will buy a Xiaomi cellphone, there is an answer score of (6) there are 2 respondents, there are 19 respondents who answer the answer score (7), there are 24 respondents who answer the answer score (8), 24 respondents who answer the answer score (9), 27 respondents who answer the answer score (10), with a total index of 82.3. The second statement is: Before buying, I looked for information about Xiaomi cellphones, there was an answer score of (6) there were 8 respondents, those who answered the answer score (7) were 11 respondents, those who answered the answer score (8) were 27 respondents, those who answered the answer score (9) were 24 respondents, those who answered the answer score (10) were 26 respondents with a total index of 81.7.

The lowest index value for the brand image variable is in the second statement with an index value of 78.4 and is in the high category and the highest index value is in the first statement with an index value of 80.6. The average value of the product innovation variable index is 79.4 and is in the high category.

V. CONCLUSION

Based on the results of analysis and hypothesis testing regarding product innovation and brand image on the decision to purchase Xiaomi cellphones at the Lapaka Xiaomi Kupang store, it was concluded that: The product innovation variable is known to have a positive influence on purchasing decisions for Xiaomi cellphones at the Kupang Xiaomi Lapak Store and The brand image variable is known to have a positive influence on purchasing decisions for Xiaomi cellphones at the Kupang Xiaomi Shop.

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