The Impacts of Threat Emotions and Price on Indonesians’ Smartphone Purchasing Decisions

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Received: November 05, 2020 Revised: December 30, 2020 Accepted: January 15, 2021

Abstract

This research aims to determine the effect of customers’ threat emotion and price on the decision to purchase a certain smartphone product. This study uses a quantitative method with a type of descriptive and causal research. It employs non-probability sampling with purposive sampling, with 385 respondents to answer the questionnaires. Data analysis techniques used descriptive analysis and multiple linear regression analysis. Based on the results of descriptive analysis of emotion, price and purchasing decisions are in sync with each other. The results of multiple linear regression analysis techniques indicate the threat emotion and brand trust are influential against the positive decision to purchase smartphone products. The magnitude of the influence of emotions and price have simultaneous effect on purchasing decisions and other decision variables, which are not included in this study, also play minor role in determining purchase intention, such as product quality, brand image and others. Partially, threat emotion and brand trust have a positive effect toward purchasing decisions. The magnitude of the highest influence was the one of price, then followed by emotional threats. The findings of this study suggest that psychological and behavioral effects also play important roles in determining customers’ purchase decision.

Keywords: Marketing, Purchase Decision, Business Analysis, Business Administration

JEL Classification Code: J20, J24, J28

1. Introduction

In today’s modern world, technological developments have changed the pattern of human life and activities, especially activities in communication. Along with the development of this technology, now two-way communication tools in the form of mobile phones (handphone) have developed into smartphones. In Indonesia, the number of smartphone users continues to grow. A report from Priharti et al. (2020) states that Indonesia is one of the countries with the most considerable smartphone user growth, behind China and India.

The increasing number of smartphone users in Indonesia has made many smartphone companies enter the market, one of which is the Samsung company. According to a survey conducted by Pradana and Novitasari (2017), several reasons motivate consumers buying a smartphone. Reasons for accessing information, lifestyle trends, communication, and several personal reasons. Some of the factors that encourage consumers to buy a smartphone are feelings of being threatened (threat emotion) and price (Saraswati & Basri, 2016). Consumers felt the feeling of being threatened if they do not have a smartphone should be able to increase sales of the smartphone products, but this has no effect because these smartphones are considered to have prices that do not match their quality.

Besides, the existence of competitive products with lower prices and equal quality makes consumers prefer competing products. With the lack of threat emotion and prices, consumers do not make purchasing decisions on certain smartphone products and have an impact on decreasing sales of these products. We conducted a pre-survey about threat emotion, prices and purchase decisions with 30 respondents. The survey was conducted to see what problems arose among the above-mentioned variables. The results show that...
the threat of emotion and price variable statements have a higher level of disagreement. Respondents think that they do not feel left behind in information even though they do not use a smartphone, in addition to that consumers also feel less satisfied with the price given.

Purchasing decisions are the stage in the buyer’s decision-making process where consumers actually buy (Pradana et al., 2019). Decision-making is an individual activity that is directly involved in obtaining and using goods offered by producers (Kartawinata et al., 2020). Purchasing decisions are very important when there are many options with the same functionality for goods and services.

Threat emotion is a cognitive assessment process when consumers feel certain pressure and judge that pressure as a negative thing. Threat emotion is a push from within a person and he will be driven to buy a product if he feels threatened or there are things he doesn’t want if he doesn’t buy the product in question. This can be measured by feeling of fear, feelings of anxiety, and feelings of worry (Kartawinata et al., 2020). The reason Indonesians buy smartphones is a trend, the fear of falling behind the trend will force people to make purchasing decisions for smartphones that are currently trending (Pradana & Novitasari, 2017). With the threat emotion, the company issues an up to date smartphone. By launching superior features, good smartphone specifications or so-called high-end, taking Android as the operating system, making the smartphone body looks elegant and cool. Major smartphone companies, for example, Apple and Samsung, also always care about the quality of their smartphones, such as being able to stay in water for more than 30 minutes. As the market ruler in Indonesia certainly has its own prestige for its users, by having the same smartphone as most Indonesians own at least one smartphone (Sulistijono et al., 2020).

On the other hand, Chinese manufacturers have launched smartphones with inferior features, such as cameras that can enhance selfies, with high-end specifications at relatively cheaper prices compared to smartphones from companies like Samsung. This is what makes consumers prefer a Chinese smartphone rather than a Samsung, for example. The author chooses the threat emotion variable because seeing the phenomenon of the interest in smartphones makes many people feel have to buy a smartphone, but with the phenomenon and threat emotion that consumers feel is not a positive influence on smartphone sales (Nguyen & Pham, 2020).

This research is expected to be used for consideration and contribution in the discussion of how threat emotions or other factors of consumer behavior play roles in improving purchasing decisions. In this case, we observe the purchase decision of smartphone products through the formation of threat emotions and prices. The results of this study are expected to enrich and complete scientific treasures in the marketing sector, especially those related to threat emotion and prices that can influence consumer purchasing decisions. Besides that, some of the findings revealed in this study can be used as a reference for next studies.

2. Literature Review

Marketing is said to be a dynamic professional field and continuously changes according to the current situation. Marketing is the spearhead of a series of company activities, either engaged in goods or services. Marketing is also an activity carried out by entrepreneurs to meet the needs and desires of consumers with good quality, to maintain the survival of the company, as well as profitable sales. Marketing plays an essential role in product sales. This statement means that marketing acts as a link between the needs of society and the response pattern of the industry concerned, meaning that the goods or services provided by entrepreneurs for the production of goods will be able to fulfill needs and satisfaction of users of the goods or services produced.

According to Saraswati and Basri (2016), marketing is a social process where individuals or groups can get what they need and want by creating offers and freely exchanging products or services of value to one another. While according to Augustrianto et al. (2019), marketing is an overall system of business activities aimed at planning, pricing, promoting, and distributing goods and services, satisfying the needs of both existing and potential buyers.

Meanwhile, according to Dewi et al. (2019), marketing is a social and managerial process where individuals and groups get their needs and desires by creating, offering, and exchanging something of value with one another. It can be concluded that marketing is a process carried out by both companies and individuals to create value for customers and build close relationships with consumers through planning, pricing, and promote and distribute goods and services.

Management is an effort in managing the functions of an organization or company, according to Fakhri et al. (2020) saying that: “Management is the science and art of regulating the process of utilizing human resources and resources effectively and efficiently to achieve certain goals”. Hence, if we discuss marketing management, it is the art and science of having a target market and building a profitable relationship with that target (Dewi et al., 2019). Furthermore, it is an activity of analyzing, planning, implementing, and controlling programs designed to form, build, and maintain profits from exchanges through target markets for achieve the goals of the organization (company) in the long term (Hidayat & Hidayat, 2017). Based on the above definition, it can be concluded that marketing management is an activity that is planned and carried out by marketers to achieve their company’s goals. Marketing management is a process related to analysis, planning and control that includes ideas, goods and services.
According to Hafifah et al. (2019), threat emotion is a cognitive assessment process when consumers feel absolute pressure and assess that pressure as a negative thing. Threat emotion is a push from within a person or consumer, and he will be compelled to buy a product if he feels threatened or there are things he/she does not want if he does not buy the product in question (Dewi et al., 2020).

When consumers perceive this pressure as negative pressure, what appears is threat emotions or feelings of being threatened, which can foster feelings of fear, worry, and anxiety (Pradana & Novitasari, 2017). Feelings of restlessness are feeling uneasy or always feeling worried (Dewi et al., 2019; 2020). Anxiety can only be known from the symptoms of a person’s behaviour or movements in certain situations (Widodo & Wahid, 2020). Symptoms of the behaviour or movements are generally different from usual (Hidayat & Hidayat, 2019).

Feelings of fear is a mechanism of basic survival that occurs in response to a particular stimulus such as pain or threat of danger (Pradana et al., 2019), while feelings of worry is a feeling of discomfort with life’s difficulties that are being experienced or imagined will happen later (Gilang et al., 2019). On the other hand, price is the amount of money charged for a product or service or the amount of value paid by consumers to benefit from or own or use services (Dewi & Mohidin, 2016). According to Pradana et al. (2019), price can be defined as follows: “Narrowly as the amount of money charged for a product or service. Alternatively, it can be defined broadly as the amount of value that consumers exchange for the benefit of owning and using a product or service that allows a company to earn a fair profit by being paid for the customer value it creates.”

According to Silvianita and Tan (2017) and Augustrianto et al. (2019), purchasing decisions are decisions in which consumers decide to buy and enjoy goods or services among a variety of choices. We formulate some hypotheses, which are temporary answers to the formulation of the research problem if the formulation of the research problem has been well stated in the form of a statement sentence (Saragih et al., 2018). Human life cannot be separated from buying and selling. Before making a purchase, someone will usually make a buying decision first against a product. Purchasing decisions are individual activities that are directly involved in making decisions to purchase products offered by the seller. The definition of purchasing decisions, according to Kotler (2017), it is “a stage in the buyer’s decision-making process where consumers really buy. Decision-making is an individual activity that is directly involved in obtaining and using the goods offered.”

Also, according to Kotler (2017), purchasing decisions are the process of combining knowledge to evaluate two or more alternative behaviors and choosing one of them. Consumer purchasing decisions are the selection of one action from two or more choices or alternative, since an old concept believes that purchase decision is related to selection of an action from two or more alternative choices. Another opinion was expressed by Widodo et al. (2017) that a purchase decision is a process of making a decision, which includes determining what to buy or not to make a purchase and the decision is derived from previous activities.

From several definitions of decision-making that have been described above, it can be concluded that the purchase decision is a process making decisions about purchases that will determine whether or not the purchase begins with an awareness of fulfillment or desire. According to Kotler (2017), purchasing decisions are decisions in which consumers actually decide to buy and enjoy goods or services among a wide variety of alternative options.

Dimensions of purchasing decisions according to Kotler (2017) consist of some elements, one of which is Product Options, where consumers make decisions to buy a product or use the money for other purposes. In this case, the company must focus its attention on people who are interested in buying products and alternatives they are considering. Choice of Brand, where consumers have to make decisions about, which brand to buy. Each brand has its own differences. In this case the company must know how consumers choose a trusted brand. Channel Choice, where the consumer must make a decision about which dealer to visit. Each consumer is different in terms of determining a supplier, due to factors of close location, low prices, complete inventory, shopping convenience, the breadth of the place, and so on. One of the functions of the purchase channel is to influence consumers to make purchases. Purchase Time, where consumer decisions in choosing the time of purchase can vary, for example, according to when the product is needed. In the process of purchasing decision behavior, it is clear that product innovation plays an important role that must be considered by companies in influencing purchasing decisions (Hoa et al., 2020). Purchase Amount, where consumers can make decisions about how many products will be bought. Purchases made may be more than one type of product. In this case the company must prepare the number of products according to the different desires of the buyers. Lastly, Payment Methods, where consumers can make decisions about the payment methods that will be made in making consumer decisions to use products or services, this is adjusted to the ability of the payment methods they can make, either in cash or non-cash.

Kotler (2017) developed a model that explains the cognitive assessment process that consumers go through under certain pressures. The process begins with the consumer’s cognitive assessment of whether the pressure is positive or negative. When consumers rate the pressure as a positive or in accordance with the objectives, what emerges are challenge emotions characterized by feelings...
of excitement, hope, and confidence. Meanwhile, when consumers perceive the pressure as negative, it will arise as threat emotions or feelings of being threatened. Threat emotions can generate feelings of fear, feelings of anxiety and apprehension. According to Kartawinata et al. (2020), feelings of being threatened will encourage consumers to make purchases that aim to avoid threats.

One that has been successfully proven is the feeling of self-responsibility even fear can trigger a purchase decision. It is said to be temporary, because the stated answers do not have any basis on empirical facts obtained through data collection, however, only based on relevant theories.

Based on the framework that has been stated, the hypotheses in this study are:

**H1:** There is an effect of threat emotion and price simultaneously on purchasing decisions.

**H2:** There is a partial effect of threat emotion on purchasing decisions.

**H3:** There is a partial effect of price on purchasing decisions.

### 3. Research Methods and Results

This research is in the category of descriptive and causal research. According to Sugiyono (2017), descriptive research is research that aims to state a situation or obtain a description of an object systematically in a particular field that becomes the focus of research based on facts. While the causal method according to Pradana (2015) is a verification research that aims to examine various possibilities cause and effect (which is clearly known as the relationship) and search again for possible causal factors through data about the effect.

According to Sulistijono et al. (2020), the causality relationship is the relationship between variables where changes in one variable cause changes in other variables without there is a possible reverse effect. Thus it can be said that the purpose of this study is to determine the effect of threat emotion and price on purchasing decisions. In this study, the method used is quantitative research method because it uses numbers with statistical calculations and aims to test the hypothesis that has been made. According to Sugiyono (2017), the research method, in this case quantitative method, can be defined as a research method based on the philosophy of positivism, used to research on a particular population or sample, techniques. Sampling is generally done randomly, data collection uses research instruments, analysis is quantitative / statistical in order to test predetermined hypotheses.

The method used in this research is quantitative method with descriptive research type and causal research. The population in this study are smartphone users in Indonesia. In this study, the population size is unknown, so the determination of the sample size uses the following formula (Winarno & Hermansa, 2019):

\[
n = \left(\frac{Z_\alpha}{e}\right)^2 / \sigma^2
\]

**Information:**

- \( n \) = Minimum sample size
- \( Z_\alpha/2 \) = Value of standard normal distribution (table Z) at a particular \( \alpha \)
- \( \sigma \) = Price of variance in population
- \( e \) = Tolerable absolute error rate

If the value of the proportion or comparison of an infinite population is not known, then \( \sigma = 0.25 \) is used. In this study, using a confidence level of 95% so that the value of \( Z = 1.96 \) was obtained. The error rate is set at 10%. The use of these presentations is assumed to provide a representative sample of the characteristics of the actual population. By using the formula above, the sample size of this study is as follows:

\[
n = \left(\frac{1.96}{0.25}\right)^2 / 0.05^2 = 384.16
\]

Based on the results of the sample calculation, the figure for the minimum sample size was 384.16, but the authors rounded it up to 385 respondents to reduce questionnaire filling errors.

In this study, multiple regression analysis is used to answer the hypothesis that has been proposed by researchers to determine the influence of independent or free variables, namely threat emotion and price on purchasing decisions for Smartphone products. The equation for multiple linear regression analysis is:

\[
Y = 5,674 + 1,081 (X_1) + 1,688 (X_2)
\]

Based on this equation, it can be described as follows:

Constant (\( a \)) = 5.674. This shows a constant value, that is, if the threat emotion (\( X_1 \)) and price (\( X_2 \)) = 0, then the decision to buy a smartphone product is still 1.603.

The coefficient of \( X_1 \) (\( b_1 \)) = 1.081. This result shows that the threat emotion variable has a positive effect on purchasing decisions for Smartphone products. If the threat emotion variable is increased by one unit and the other variables are constant, the decision to purchase a smartphone product will increase by 1.081.

The coefficient of \( X_2 \) (\( b_2 \)) is 1.688. This result shows that the threat emotion variable has a positive effect on purchasing decisions for smartphone products. If the price variable is increased by one unit and the other variables are constant, the decision to purchase Smartphone products will increase by 1.688. The use of this \( F \) test is to test whether the threat emotion (\( X_1 \)) and price (\( X_2 \)) variables simultaneously influence the purchase decision (\( Y \)).
Table 1: F-Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>30116,043</td>
<td>2</td>
<td>15058,022</td>
<td>688,690</td>
<td>0,000</td>
</tr>
<tr>
<td>Residual</td>
<td>8352,328</td>
<td>382</td>
<td>21,865</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>38468,371</td>
<td>384</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: t-Test Result

<table>
<thead>
<tr>
<th>Model B</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>5,674</td>
<td>1,085</td>
<td></td>
<td>5,229</td>
</tr>
<tr>
<td>Threat Emotion</td>
<td>1,081</td>
<td>0,081</td>
<td>0,457</td>
<td>13,362</td>
</tr>
<tr>
<td>Price</td>
<td>1,688</td>
<td>0,116</td>
<td>0,498</td>
<td>14,546</td>
</tr>
</tbody>
</table>

Table 1 shows that the $F$ value is 668.69, then the $F$ value is greater than $F$ table (668.69 > 3.019), besides that, the sig value is obtained. 0.00 is less than the confidence level (0.00 < 0.05), so H0 is rejected, or Ha is accepted. Thus, this study shows that there is a significant influence between Threat Emotion and Price on Smartphone Purchase Decisions.

Afterwards, we used Partial Significance Test ($t$-test). This test is used to test the influence of independent variables partially on the dependent variable. The use of this $t$-test is to test whether the threat emotion ($X_1$) and brand trust ($X_2$) variables together have a partial effect on the decision ($Y$).

Table 2 shows that Threat emotion variable ($X_1$) has a value of $t$ (13.362) > $t$ table (1.966) and a significance level of 0.00 < 0.05, then H0 is rejected. Therefore it can be concluded that there is a significant effect of threat emotion ($X_1$) on Purchasing Decisions ($Y$).

The price variable ($X_2$) has a value of $t$ (14.546) > $t$ table (1.966) and a significance level of 0.000 < 0.05, then H0 is rejected. Therefore, it can be concluded that there is a significant effect of price ($X_2$) on Purchasing Decisions ($Y$).

4. Discussion

According to Kartawinata et al., (2020), the coefficient of determination is a process to measure how far the model’s ability to explain variations in the dependent variable. The following is the formula for the coefficient of determination according to Sulistijono et al. (2020). How to calculate $R^2$ using the coefficient of determination (KD) using the following formula:

$$\text{KD} = R^2 \times 100\%$$

$$\text{KD} = (0.885) \times 100\% = 78.3\%$$

This figure shows the coefficient of determination (KD) of 78.3%. This shows that the influence of the independent variables (threat emotion and price) on the dependent variable, namely, the purchase decision explains 78.3%, while the remaining 21.7% is influenced by other factors not examined in this study, such as price factors, product quality, and brand image.

Based on the results of descriptive analysis, consumer threat emotion on smartphone products as a whole is in a relatively good category, with a score of 66.4%. This result shows that consumers feel less anxious, afraid and anxious even though they are not using a smartphone. Overall prices for smartphone products are in an outstanding category, with a percentage value of 67.7%. Overall, purchasing decisions on smartphone products are in a relatively good category, with a score of 67.7%. This result shows that consumers feel confident in making purchasing decisions for smartphone products. Threat emotion ($X_1$) and price ($X_2$) together or simultaneously have a positive and significant effect on purchasing decisions on smartphone products. Partially Threat Emotion ($X_1$) and Price ($X_2$) have a significant effect on purchasing decisions.

Based on the results of the research and discussion previously described regarding the influence of threat emotion and brand trust on purchasing decisions for smartphone products, the following conclusions can be obtained:

Threat Emotion on smartphone products. Respondents’ response to Threat Emotion was in a relatively good category. This result shows that the perception is given by consumers of the impulse from within consumers to buy smartphone products if they feel that there are things that are undesirable if they do not buy the product in question is considered good enough. This result is supported by the highest statement that consumers feel outdated if they do not use a smartphone.
Brand Trust on smartphone products. Respondents’ responses to prices are in a relatively good category. This result shows that consumer perceptions of the pricing of smartphone products are considered quite good. This situation is supported by the highest statement that consumers feel that the price of a smartphone is entirely under the benefits received by consumers.

Consumer Purchase Decisions on smartphone products. Respondents’ responses to the Purchase Decision with the number of statement items 15 items obtained a total score of 19551 with an average count of 67.7%. The respondent’s response to the Purchasing Decision is in the quite good category. This result shows that the attitude of consumers in determining product purchases on smartphones is considered quite high. This result is supported by the highest statement that consumers buy Smartphones because they feel that the smartphone brand is well-known.

Simultaneous Influence of Threat Emotion and Brand Trust on Purchasing Decisions for smartphone products. Simultaneous hypothesis testing (F-test) shows that Threat Emotion and Price have a significant influence on smartphone Purchase Decisions where Threat Emotion and Price have a simultaneous effect of 78.3% on Purchasing Decisions. In comparison, the remaining 21.1% is influenced by other factors not observed in this study.

The amount of Partial Threat Emotion and Brand Trust Influence on Purchasing Decisions for smartphone products. Based on the results of partial hypothesis testing (T-test), Threat Emotion and Price have a significant influence on the smartphone purchase decisions. The price variable here is the factor that has the greatest significant influence.

5. Conclusion

Based on the results of the reports described above, researchers can provide some suggestions that would be useful for the company. With regard to threat emotions, the company should preferably use marketing to take advantage of a situation where society has felt that it is left behind and feel quite worried about being left out of the information if not using a smartphone, by providing the best product to them so that consumers will be more loyal to this type of smartphones.

Smartphone businesses should pay more attention to price variables based on the results have the greatest influence on purchasing decisions, namely by pressing more competitive prices with competitors because of the match between price and quality encourage consumers to buy products. So that it can be a consideration for consumers to be loyal.

Company is advised to defend threatening emotions from consumers as well as the application of product pricing, as it materialized expectations that arise in the minds of consumers can influence decisions of consumer purchases.

This research only examines the influence of emotion and price on the purchase decision. Future studies could focus on decisions of other variables that are thought to influence purchases so as to provide a wider range of results can add more perspectives in the field of marketing. Also, research using other methods in examining the price and location of the purchase decision should be undertaken above and beyond information obtained from a questionnaire. Last, but not least, there is a need to conduct research on products from other similar companies using the same variable so that the result can be used as comparison material.

References


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