



Smart Consumer Purchasing Decisions: The Moderating Role of Lifestyle

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ABSTRACT

This research aims to analyze the influence of price on the purchase decision of Samsung smartphones with lifestyle as a moderating variable in Faculty of Economics and Business Undana Kupang students. This study uses a quantitative approach with a sample of 95 people. Data were collected using questionnaires and analyzed using simple linear regression and MRA tests with the help of IBM 29 SPSS. The results of this study show that price has a positive effect on purchase decisions, meaning that higher prices are considered indicators of product value or superiority, thus encouraging consumers to make purchases., in addition, lifestyle weakens the relationship between price and purchase decisions, meaning that the influence of price on purchase decisions becomes less significant because of consumer lifestyles. In this context, even if the price of a product or service is higher or lower, consumers' purchasing decisions are influenced more by their lifestyle than by the price itself. Smart consumers tend to price as their lifestyle improves. Smart customer signals a significant shift in the way people think about purchasing. They are beginning to realize that price does not always reflect the true value of a product. In many cases, savvy consumers are willing to pay more for higher quality, appeal, or ethical values

INTRODUCTION

The development of science and technology has made everything easier and more effective. Today's technology is making it easier for humans to carry out activities in daily life. The growth of the telecommunications and electronics industry is the impact of technological advances and opens up many opportunities for companies to produce innovative products, one of the innovations that has gone global is smartphones. Dharma & Sukaatmaja, (2015) In line with the development of time, smartphones have undergone many changes, for example, smartphones that used to be mostly used to receive calls and SMS (Short Messaging Service) have evolved into Video Calls. Then the addition of new features that support the usability of smartphones such as Facebook, Twitter, Line, and other social media.

Samsung is an electronics company founded in 1938 and operates in 58 countries. Samsung is one of the conglomerates in South Korea that started as an export company. One of the sectors is the telecommunications business. (Setiyaningsih, 2019) People have started to switch to using Samsung smartphone products since Samsung uses the Android operating system. The advantages of Samsung's smartphone products are the use of the latest technology, R&D, product quality, the best-selected components, after-sales service (including warranty), and often innovations. (Nugraha, 2019). Leading 5 Companies, Global Smartphone Shipments, Market Share, and Year-over-Year Growth, Q1 2023 (Preliminary figures, shipments in millions of units).

IDC announces the best and best-selling smartphone brands every year. The data is taken from the number of cell phones shipped every quarter of the year. Previously in Q1 of 2022, the best cellphone brand in the world was held by Samsung with a market share of 23.7%. In second place is Apple with a market share of 18%. Then, in 3rd position is Xiaomi with a market share of 12.7%. According to the data above, it can be seen that Samsung is in the number 1 position of the world's best cellphone brand. In Q1 of 2023, Samsung has a market share of 22.5%. Samsung's position rose to the top position compared to Q4 2022.

However, when compared to the previous year, the number of Samsung smartphone shipments in Q1 2023 decreased by 18.9%. In terms of price, it is also one of the factors for consumers to determine product purchase decisions, consumers tend to choose products with quality that is comparable to the price or with a higher price but get good quality. Price is an exchange value that can be equated with money or other goods in return for the benefits obtained from a good or service by an individual or group at a certain time and place (Putri, 2014). Price is a key factor that influences buyers when making purchasing decisions for products or services. Additionally, for everyday essentials like food, beverages, and other basic needs, buyers tend to pay particular attention to the price (Ghanimata & Kamal, 2012).

In addition to price, lifestyle is also one of the important factors that affect the decision to buy a product, lifestyle requires a person to always exist, whatever it is, lifestyle is a person's lifestyle in the world that is reflected in activities, interests, and opinions. The lifestyle captures the interaction of "a person as a whole" with his or her environment. Purchase decisions are driven more by rational considerations such as affordability, product functionality, or efficiency than by lifestyle or personal preferences (Levrini & Santos, 2021). Consumers in certain economic categories prefer products at low prices or with discount offers, regardless of whether the product fits their lifestyle. In this situation, the need to save money or get the best value becomes a bigger priority than adjusting the purchase to a particular lifestyle. Limited purchasing power may suggest that buying decisions are driven more by factors like essential needs and the availability of products, rather than by lifestyle or consumer preferences. In this scenario, consumers are likely to prioritize fulfilling their daily necessities within a tight budget, making lifestyle considerations less significant in their purchasing choices.

Therefore, this study aims to fill this knowledge gap by investigating how the influence of price on Samsung smartphone purchasing decisions can be moderated by consumers' lifestyles. With a deeper understanding of these dynamics, Samsung companies and related industry players will be able to formulate marketing strategies that are more targeted and better accommodate consumer needs and preferences. Through a comprehensive analysis, it is hoped that the results of this study can provide valuable insights into how the role of lifestyle in influencing the relationship between price and purchase decisions, as well as provide practical guidance for consumers in making more informed Samsung smartphone purchase decisions.

IDC announces the best and best-selling smartphone brands every year. The data is taken from the number of cell phones shipped every quarter of the year. In the first quarter of 2022, Samsung was the leading cellphone brand globally, boasting a market share of 23.7%. In second place is Apple with a market share of 18%. Then, in 3rd position is Xiaomi with a market share of 12.7%. According to the data above, it can be seen that Samsung is in the number 1 position of the world's best cellphone brand. In Q1 of 2023, Samsung has a market share of 22.5%. Samsung's position rose to the top position compared to Q4 2022. However, when compared to the previous year, the number of Samsung smartphone shipments in Q1 2023 decreased by 18.9%.

In terms of price, it is a significant factor for consumers when making purchasing decisions. Consumers generally prefer products whose quality matches the price, or they might opt for higher-priced items that offer better quality. Price acts as an exchange rate that can be compared to money or other goods, representing the benefits received from a product or service for an individual or group at a specific time and place (Putri, 2014). Price is a crucial element influencing buyers' decisions regarding the purchase of products or services. Furthermore, for everyday essentials like food, beverages, and other basic needs, buyers tend to focus closely on price (Ghanimata & Kamal, 2012).

Apart from pricing, lifestyle plays a crucial role in influencing a consumer's decision to purchase a product. A person's lifestyle is their way of living in the world, which is manifested via their hobbies, opinions, and activities. The way of living depicts how "a person as a whole" interacts with the world around them. Purchase decisions are driven more by rational considerations such as affordability, product functionality, or efficiency than by lifestyle or personal preferences (Levrini & Santos, 2021). Consumers in certain economic categories prefer products at low prices or with discount offers, regardless of whether the product fits their lifestyle. In this situation, the need to save money or get the best value becomes a bigger priority than adjusting the purchase to a particular lifestyle. Low purchasing power could be a sign that a person's lifestyle or tastes are less important in influencing their purchases than things like basic needs and product availability. In this situation, lifestyle is not the primary deciding factor in purchases because customers may be more concerned with getting by on a tight budget.

Therefore, this study aims to fill this knowledge gap by investigating how the influence of price on Samsung smartphone purchasing decisions can be moderated by consumers' lifestyles. With a deeper understanding of these dynamics, Samsung companies and related industry players will be able to formulate marketing strategies that are more targeted and better accommodate consumer needs and preferences. Through a comprehensive analysis, it is hoped that the results of this study can provide valuable insights into how the role of lifestyle in influencing the relationship between price and purchase decisions, as well as provide practical guidance for consumers in making more informed Samsung smartphone purchase decisions.

LITERATURE REVIEW

Marketing

Every company activity involves marketing as stated by Kotler and Keller (2017), marketing initiatives are meant to establish exchanges that enable businesses to continue existing. Furthermore, marketing initiatives are implemented to meet expectations and accomplish the company's objectives. As defined by Kotler & Armstrong (2016), marketing is an all-encompassing system of corporate operations that aims to design, price, promote, and distribute goods and services that may meet the demands of current and potential customers. Herman (2017) asserts that marketing is an activity that involves managing institutions and processes to produce, convey, give, and exchange offers that are valuable to partners, customers, clients, and society at large.

Consumer Behavior

Consumer behavior studies how people, communities, and organizations choose, buy, consume, and how goods, services, ideas, or experiences meet their needs and desires (Kotler and Keller 2017). According to (Solihin, 2020), consumer behavior is the study of the units and processes of decision-making that are engaged in the acceptance, application, acquisition, and selection of products, services, and concepts. In contrast, as defined by Sangadji & Sopiah (2013), consumer behavior is any action directly related to the purchase, use, and depletion of goods or services, as well as the procedures that go before and after this action.

Price

Consumers before considering a decision to buy there are several things to look at, including price. A price is generally several values provided by consumers to benefit from using a product, either goods or services. (Mubarok, 2018) explained that price is something that is done to get some mix of a product and service by giving a certain amount of money (possibly plus some goods). According to (Dharma et al., 2019), price is the only element of the marketing mix that brings revenue to the organization. If consumers feel that the price offered matches, then they will be more likely to make a repeat purchase for the same product.

Lifestyle

(Laksono & Iskandar, 2018) define lifestyle as an individual's attitude toward characterizing a genuine problem that exists in their mind and tends to be linked to other problems pertaining to psychological and emotional issues. It can also be inferred from their interests and opinions about various objects. In the meanwhile, a person's lifestyle in the world is reflected in their interests, opinions, and activities (Kotler and Keller, 2017). The way of living embodies how "a person in its entirety" interacts with the surroundings.

Purchase Decision

Sutopo (2018) defines purchasing as the process of determining all viable solutions to an issue and evaluating them methodically, impartially, and in light of their objectives, which establish their relative benefits and drawbacks. Purchasing decisions are a complex process and often involve deep consideration from the consumer. Whenever an individual or organization considers purchasing a product or service, they go through several stages that start from the recognition of the needs to the post-purchase evaluation.

METHODOLOGY

This research method uses a type of survey research method. The survey method is a method used to obtain data from a certain place that is natural, but this study collected data by listening to questionnaires (Sugiyono, 2016). The measurement scale in this study is an ordinal scale with a likert scale model that uses five answers, namely: (SS) strongly agree with score 5, (S) agree with score 4, (N) Neutral score 3, (TS) disagree with score 2, and (STS) strongly disagree with score 1. The population in the study is 2,100 active regular students at the Faculty of Economics and Business, Nusa Cendana University. The sample in this study was taken using the Slovin formula:

$$n = \frac{N}{1 + N(e)^2}$$
$$n = \frac{2100}{1 + 2100 (0.1)^2}$$
$$n = 95,45$$

Note:

- n : Sample
- N : Population
- e : Standard error

Data were analyzed using simple linear regression and Moderating Regression analysis (MRA) to test moderation variables with the help of SPSS Version 29.

RESULT

The characteristics of respondents based on gender, study program, and pocket money are presented as follows:

Table 1. Characteristics of Respondents

Respondent's Identity	Frequency	Percentage %
Gender		
1. Male	39	41,1
2. Female	56	58,9
Courses		
1. Accounting	32	33,7
2. Development Economics	23	24,2
3. Management	40	42,1
Allowance		
1. < Rp 50.000	36	37,9
2. Rp. 50.000 – Rp. 100.000	24	25,3
3. Rp. 100.000 – Rp. 200.000	24	25,3
4. > Rp. 200.000	11	11,6

Table 1. shows that the number of the highest percentage of respondents is female with a total percentage of 58.9%, the high percentage of Samsung smartphone users is female. Furthermore, in the part of the respondent study program the management study program has the highest frequency with a percentage of 42.1% compared to the Accounting study program with a percentage of 33.7%, and Development Economics with a total percentage of 24.2% and the amount of respondents' pocket money in this study is the most in the range of Rp. <50,000 with a total percentage of 37.9%.

Table 2. Simple Linear Regression Results

		Coefficients				
		Unstandardized	Standardized			
		Coefficients	Coefficients			
		Std.				
Model		B	Error	Beta	t	Sig.
1	(Constant)	3.153	2.786		1.132	.261
	Price	1.082	.073	.838	14.796	<,001

a. Dependent Variable: Purchase Decision

Based on Table 2. above, it can be seen that the constant value of 3.153 shows that if the price is zero or fixed, it will increase the purchase decision by 3.153%. If the price increases by 1 unit, the purchase decision will increase by 1,082 units.

Table 3. Results of the Second Equation MRA Test

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
		Std.				
Model		B	Error	Beta	t	Sig.
1	(Constant)	-14.036	10.541		-1.332	.186
	Price	1.069	.308	.828	3.475	<.001
	Lifestyle	.924	.309	.769	2.987	.004
	XZ	-.011	.008	-.595	-1.337	.185

The second equation table 3. shows that the values of the price and lifestyle variables respectively obtain significance values of <0.001 and 0.004 which means that they have a significant meaning for purchase decisions. Meanwhile, the value of the variable coefficient (price x lifestyle) is -0.011, the t-value is -1,337 and the significance is 0.185. This means that lifestyle can act as a moderator in the relationship between the influence of price on purchase decisions. A coefficient value of -0.011 (negative) means that Lifestyle will weaken the relationship of the influence of Price on Purchase Decisions.

Table 4. Determination Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.838 a	.702	.699	3.820

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Price

Based on the table above, it can be seen that the R-square value called the determination coefficient obtained is 0.70 then in a percentage of 70%. This result means that after conducting the study, it is known that the Price variable affects the Samsung Smartphone Purchase Decision by 70%, while the remaining 30% is influenced by other variables, namely Direct Experience, Family, and Peer Influence which were not studied in this study. This result can also be interpreted that Price has a relatively strong influence on Samsung Smartphone Purchase Decisions with a value of R^2 of 0.70 closer to 1 (one).

DISCUSSION

Price has a Positive and Significant Effect on Samsung Smartphone Purchase Decisions

Based on the results of the hypothesis test, it is partially proven that there is a relationship between Price and Purchase Decision through the results of the t-test obtained in this study. Significantly, there is an influence of Price on the decision to buy a Samsung smartphone. This test shows that the Price variable using indicators (price availability, price suitability with product quality, price competitiveness, price suitability with benefits) can influence the Purchase Decision variable in the indicators used (problem recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior). This proves that the influence of Price on the purchase decision of Samsung Smartphones on students of the Faculty of Economics and Business Undana Kupang is high.

The results of this study are in line with the results of previous research obtained by (Hartati, 2019). The results of the study show that: (1) there is a significant influence between partial product quality on purchase decisions (2) there is a significant influence between partial price on purchase decisions, (3) there is a significant influence of partial brand image on purchase decisions (4) there is a significant influence of partial promotion on purchase decisions (5) there is a significant influence between product quality, Price, brand image and promotion together on purchasing decisions.

According to (Armstrong & Kotler, 2015), it is explained that price is the amount of money asked for a product or service. More broadly, it can be said that price is the amount of value provided by consumers to obtain profits over the ownership or user of a product or service. Historically, price has been a major factor influencing a buyer's choice. The Effect of Price on Samsung Smartphone Purchase Decisions is also supported by a determination test (R^2) carried out, with a coefficient value of 70% which means that after conducting research it is known that the Price variable affects Samsung Smartphone Purchase Decisions by 70%, while the remaining 30% is influenced by other variables, namely Direct Experience, Family and Peer Influence.

Lifestyle Moderates Price Relationship to Purchase Decisions

The MRA test conducted in this study shows that lifestyle variables are able to moderate the relationship between price and lifestyle. A coefficient value of -0.011 (negative) means that lifestyle will weaken the influence of price on purchase decisions. In the Lifestyle MRA test, the influence of price on purchasing decisions was only weakened by 10%. This means that after conducting research, it is known that lifestyle variables weaken the influence of price on Samsung smartphone purchase decisions by 10% while the remaining 90% is influenced by other variables such as the purchase of useful products, preferences, or self-indulgence, luxury lifestyle, and the desire for luxury. This result can be interpreted that lifestyle variables weaken the influence of price on Samsung smartphone purchase decisions because the value of the coefficient is -0.011 or 10%.

The results of this study are also in line with previous research conducted by (Rachmawati, 2019), that advertising can moderate or increase the influence of price on purchase decisions. Lifestyle reflects the values, preferences, and habits embraced by a person or group of people in living their daily lives. For example, someone who adopts a luxurious lifestyle may value aspects such as quality, exclusivity, and brand image more than the price of the product itself. For them, more expensive products are often perceived as a symbol of social status or as a reflection of their desired identity. In these cases, even though the price of the product is high, the purchase decision is still made because the product fits the lifestyle they are living. Thus, price is no longer the main determining factor, but rather just one of many considerations.

On the other hand, consumers with frugal or minimalist lifestyles tend to pay more attention to price in making purchase decisions. However, even within this group, there are situations where their lifestyle can weaken the influence of prices. For example, if they find a product that fits values such as sustainability or efficiency, they may be willing to pay more even though they are usually price-sensitive. In this case, a lifestyle that prioritizes certain principles can make them more flexible in responding to prices, as long as the product meets their lifestyle standards or needs. In addition, in the context of a lifestyle that is highly connected to technology and social media, price is often a secondary factor. Consumers who are heavily influenced by trends or influence from public figures may prioritize buying products that are popular or advertised by their idols, even if those products have higher prices. For this group, purchasing decisions are often driven by a desire to stay relevant or appear to follow trends, rather than solely by price. In an increasingly complex and segmented world, companies need to understand how consumers' lifestyles can affect their price sensitivity. Recognizing that certain lifestyles can weaken the relationship between price and purchasing decisions allows companies to develop more targeted marketing strategies. By tailoring their product offerings and marketing communications to consumers' lifestyles, companies can create greater value and drive consumer loyalty, even though their products may not always be competitive in terms of price.

CONCLUSION AND RECOMMENDATION

The results of this study show that price has a positive and significant effect on purchase decisions. Price is one of the important factors that affect consumers' purchasing decisions. Consumers tend to prefer products with prices that they consider to be by the value offered. If the price of a product is too high, consumers may look for other more affordable alternatives or postpone purchases. On the other hand, prices that are too low can make consumers doubt the quality of the product. Therefore, proper pricing, which reflects the value and quality of the product, is crucial in attracting consumer interest and driving purchasing decisions.

The relationship between pricing and purchasing decisions might be moderated by the lifestyle of the consumer. The study's findings demonstrated how lifestyle decreased the correlation between cost and purchase decisions. In this context, consumers' lifestyles can make them focus more on factors other than price, such as quality, brand, social status, or personal satisfaction. For example, consumers with a luxurious lifestyle may still buy high-priced products because they are more concerned with prestige or exclusive experiences, even though there are cheaper options. In other words, for this group of consumers, price is not the main factor that determines the purchase decision. Smart customer signals a significant shift in the way people think about purchasing. They are beginning to realize that price does not always reflect the true value of a product. In many cases, savvy consumers are willing to pay more for higher quality, appeal, or ethical values.

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