THE INFLUENCE OF SEGMENTING STRATEGY AND BRAND POSITIONING STRATEGY ON PURCHASING DECISION (STUDY AT SMARTPHONE SAMSUNG IN INDONESIA)

(Skripsi)

By:

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DEPARTMENT OF MANAGEMENT

FACULTY OF ECONOMICS AND BUSINESS

UNIVERSITY OF LAMPUNG

2017

ABSTRAK

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Determination of market segments is important in recognizing the prospective customer and determine who the potential customers. Segmentation can be divided by location, age, gender, income level, habits and so on. Determination of targeting depends on things like character of the product, and the level of competition in the segment is already selected. Positioning is an action or measures from the manufacturer to design the company's image. Purchasing decisions are consumer action in an effort to meet the wants and needs is a process of determining the attitude or the purchase of goods and services. This research aims to know which Segmenting and Brand Positioning on purchasing decisions at Samsung Smartphone in Indonesia. The method used in this research is multiple regression. The result is the effect of STP strategy on Samsung smartphones in Indonesia on purchasing decisions is shown by the equation $Y = 0.268 X1 + 0.577 X2$. Partially Segmenting, and Positioning significantly influence on purchasing decisions. Based on the results, the regression positioning has a big influence on consumer purchasing decisions, then the sub-variables of positioning an appropriate strategy for developing Smartphone Samsung

Keywords: segmenting, positioning, purchasing decisions.

THE INFLUENCE OF SEGMENTING STRATEGY AND BRAND POSITIONING STRATEGY ON PURCHASING DECISION (STUDY AT SMARTPHONE SAMSUNG IN INDONESIA)

(Skripsi)

Researcher

Annisa Nurawalia

Script

As One Of Requirements To Achieve

Bachelor Of Economics

In

Management Department

Faculty Of Economics And Business Of Lampung

DEPARTMENT OF MANAGEMENT

FACULTY OF ECONOMICS AND BUSINESS

UNIVERSITY OF LAMPUNG

2017

Thesis Title : **THE INFLUENCE OF SEGMENTING STRATEGY AND BRAND POSITIONING STRATEGY ON PURCHASING DECISION (STUDY AT SMARTPHONE SAMSUNG IN INDONESIA)**

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ACKNOWLEDGING

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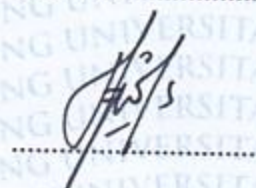
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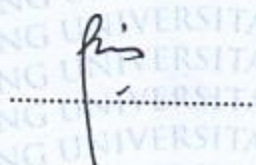NIP 19620822 198703 2 002

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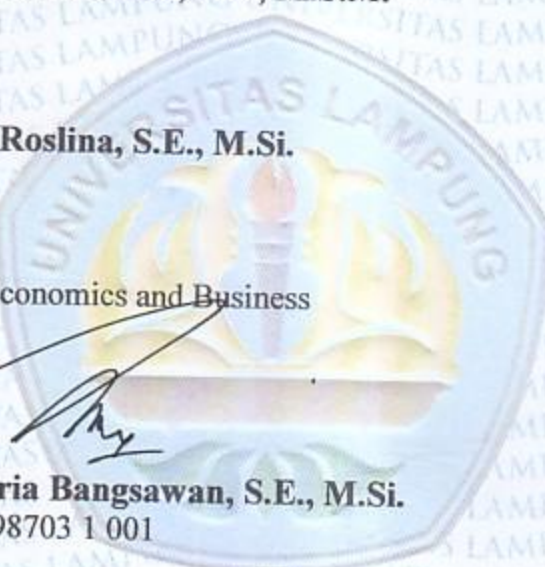
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Thesis Examination Passing Date : **April 29th, 2017**

INDEPENDENT STATEMENT OF PLAGIARISM

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Bandar Lampung, April 27, 2017

Annisa Nurawalia

BIOGRAPHY

The researcher was born on August 12st 1995, in Bekasi, Indonesia. The first of four children from Heri Muhammad Syapari and Anizar.

The researcher initiated the kindergarten Education (TK) Sandi Putra, Bandung. The researcher started elementary school at Al-Kautsar Elementary School, Bandar Lampung in 2007, Junior High School (SMP) at SMPN 1 Bandar Lampung in 2010, and High School (SMA) at SMA Al - Ma'hadul Islami , Pasuruan in 2013.

In 2013, the researcher is enrolled as a student of Management Department, Faculty of Economics and Business, University of Lampung through SBMPTN. During her time as a student, the researcher become the Head of Education Department at the Student Association (HMJ) Management. The researcher has also attended Kuliah Kerja Nyata (KKN) in 2016 for 60 days in the Bedarou Indah, Menggala East, Tulang Bawang.

DEDICATION

Alhamdulillah all praise to Allah SWT for the strength and his blessing in completing this undergraduate thesis. I dedicate this undergraduate thesis to:

My Father and My Mother, Heri Muhamad Syapari and Anizar

Mom Dad thank you for all the sacrifices that you've given to me, thank you for patienly taking care of me until I have grown until today, thank you for being perfect parents for me, mom and dad thank you for always motivating, cheer me up and always pray for me.

Allah, give me a chance to prove to them that all the sacrifices they have given so far is not vain to make me a successful person in the future, make them happy and proud of me.

For My Sister and Brother, Muhammad Rizal Sidiq, Muhammad Faris Akbar and Nadia Salsabila

Thank you bro for all the prayers, support, and encouragement that has been given so far to me and always be there for me. Hopefully we can make mom and dad proud of us later. For My friends, thank you for all the help, prayers, motivation, advice that you have given me. All memories will be a wonderful story forever. May our friendship forever.

MOTTO

"You have to fight through some bad days to earn the best days of

your life"

"Everybody is a genius, but if you judge a fish by its ability to

climb a tree it will live its whole life believing that it is stupid"

(Albert Einstein)

"You educate a man, you educate a man. You educate a woman,

you educate a generation"

(Brigham Young)

"Aku, kamu dan dia memiliki arti suksenya masing-masing"

ACKNOWLEDGEMENT

Alhamdulillahirobbilalamin, Praise to ALLAH SWT who has been giving out mercy, guidance, and His good pleasure. This undergraduate thesis is still far from perfection, for it I apologize for any shortcomings.

This undergraduate Thesis entitled "The Influence of Segmenting Strategy and Brand Positioning Strategy On Purchasing Decision (Study at Samsung Smartphone In Indonesia)". This undergraduate thesis is one of the requirements to complete the study on the management bachelor program at the Faculty of Economics and Business, University of Lampung.

In writing this undergraduate thesis, the author realized a lot of difficulties. Thanks for help, guidance, encouragement, and suggestions from various parties. In this chance, I would like deeply thanks to:

1. Mr. Prof. Dr. H. Satria Bangsawan, S.E., M.Si. as the Dean of Faculty of Economics and Business, University of Lampung.
2. Mrs. Dr. Rr. Erlina, S.E., M.Si. as the Head Program of Management Department Faculty of Economics and Business University of Lampung.
3. Mrs. Yuningsih, S.E., M.M. as Secretary Program of Management Department Faculty of Economics and Business University of Lampung.

4. Mrs. Dr. Mahrinasari, S.E., M.Sc as my Advisor Lecture who always giving advice, guide me patiently and also supprort me during the process of my undergraduate thesis, so that I can finished it.

5. Mrs.Faila Shofa, S.E., M.S.M as My Co-Advisor who already give his time to discuss about my undergraduate thesis, giving advice, guide me patiently, and also supprort me during the process of my undergraduate thesis, so that i can finished it.

6. Mrs. Roslina, S.E., M.Si as my Examiner who always availability gives time, knowledge, guidance, suggestions and criticism for this research to make this undergraduate thesis better.

7. Mr. Dr. Irham Lihan, S.E., M.Si. as my education advisor who always give an advise for my study plan.

8. All the lecturer and staff at the Faculty of Economics and Business, University of Lampung, thank you for giving knowledge and guidance in my time in the Faculty of Economics and Business, University of Lampung.

9. My parents, Heri Muhamad Syapari and Anizar, thank you for all prayers and support of you all this time so I can finished this undergraduate skripsi.

10. My brothers, Muhammad Rizal Sidiq, Muhammad Faris Akbar. My sister, Nadia Salsabila. Thank you for support and motivatation all this time.

11. My bestfriends Has given me motivation, passion, and made my campus days become more beautiful and fun, Armania, Merry Yana, Fitracia Indah, Atikah Wahyuni Zulkarnaen, Ega Pralin, and Ghanes Vita.

12. My Bilingual Class batch 2013 Novita, Nabila, Ficky, Irfan, Ginanjar, Fajar, Aziz , thank you for all the thoughts, laughter and support that given to me, I will never forget with all the experience of joy and sorrow that we have ever experienced in this last 3 years

13. Management friends and HMJ, Eka, Galih, Revita, Kamel, Fidoh, Dyah, Jestina, Mona, Phooja, Anisa, Dimas, Sarah, Rafiqa, Princess, Ayu, Dayat, Ririn, Ghanes, Dolla, Fahrul, Elan Yusi, Niken, Eksa, Billy, Desvita, Rifki, RC, Andreas, Kak Muli, Kak Damar, Kak Edo, Mda Winda, Hapis, Rifa, Tasya, Sella, Pendi, Mija, Udin, Rifaldo, Hafez, Fajar, Reynaldo , Cicin, Asih, Emilda and other friends, thank you for the togetherness.

14. My junior high school friends and high school friends, Niken, Haifa, Syafira, Ala, Vita, Ria, Vera, Ipah Jufri, Ida, Tivah, Sofi, Alisya, Rahma, Ijah, Firda, Hamidah, Rani, Reality, Zainab , Laily, Kak Nisa and Diana

15. KKN friends, Adi, Mba Haska, Kak Bayu, Mba Cindy, Donny and Monik

16. The entire HMJ Management family thanks for being together and as a motivation so far.

17. My beloved Alamamater, Faculty of Economics and Business, University of Lampung and all parties who have helped, provide motivation and prayer

Finally, this undergraduate thesis is still far from perfection. Little hope that this paper can be useful for all of us. Amin.

Bandar Lampung 18 April 20 17

ANNISA NURAWALIA

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I. INTRODUCTION

1.1. Research Background

In this globalization era, technology and market competition has become more competitive, which leads into such opportunities and challenges for every company. New various products are manufactured by company to satisfy the needs of the market. New products are invented but do not increase the rate of satisfaction in consuming the products which was caused by little or minor modification in their new products. In certain circumstances, the competition growth among similar products is merely advantageous to only the product that can attract the consumers. This results in the condition in which every company must compete for getting costumers. Companies should be able to create and maintain their customers so that they are able to win the rivalries.

Currently, each company concentrates to get the best position in the market. Therefore, companies are not just trying to get new customers but also striving to retain customers they have acquired. Consumers' expectations are also an important thing to be considered by the company; due to consumers' expectations of the product quality, the products' demand will continue to increase. Right now, the products offered have many varieties, which push companies to understand that customers tend to choose the products that suit their needs and expectations, which then consumers will buy the products based on the economical value of the

product. The power of the market are essentially held by the consumers, so the company should be able to understand and create a product that is appropriate with the wishes, needs, perceptions and lifestyles of the customers in order to achieve their satisfaction. Companies must be able to create an impactful impression over their products in the customer's perception so that a positive consumer's product review will continue to exist in their minds, which will support the emergence of a reliable marketing strategy.

According Kotler and Amstrong (2012:6) marketing is all about creating value for customers. So, as the first step in the marketing process, the company must understand how the consumers and marketplace operate. Individual consumers obtain or purchase goods through the process; firstly through advertisements or references from others and secondly by comparing one product with another until they have a purchasing decision. Marketers need to understand each side of the consumers' behavior. According to Kotler and Keller (2012:213) companies cannot connect with all customers in large, broad, or diverse markets, but they can divide such markets into groups of consumers or segments with distinct needs and wants. A company then needs to identify which market segments it can serve effectively. This decision requires a keen understanding of consumer's behavior and careful strategic thinking. To develop the best marketing plans, managers need to understand what makes each segment unique and different. Identifying and satisfying the right market segments is often the key of marketing success.

The whole marketing strategy is built upon STP which stands for Segmenting, Targeting, and Positioning. Companies are looking for a number of different needs and groups in the market, targeting the needs and groups that can be satisfied in a certain manner, and further positioned in such way that its offer will be comprehended by the target market and offer the brand figure of the company. Marketing is based on a broad view of the market in the world which requires attention to the complex decision-making related into positioning strategy and segmenting.

According to Ray and Choudhury (2015), consumer tastes can change very rapidly; creating new business opportunities and strategies marketers are very important. There is a threat of failure to adopt changes because the standard of living or style based on the background, educational standards, and family. Therefore it takes a segmentation strategy for making purchasing decisions made in Kolkata. In this study used three variables, namely demography, psychograph and benefits sought. The variable that has the most significant influence is psychograph. On the other hand, Hasan and Craft (2012) describe the relationship between segmentation and brand positioning as a center for the development of global branding strategy. Therefore, positioning is described as a strategy to identify and direct marketing resources between segments of the target market.

According Solomon (2012:185), segmenting is the process of dividing a larger market into smaller pieces based on one or more meaningfully shared characteristics. This process is a way of life for almost all marketers in both consumers and business-to-business markets. The truth is that you cannot please

all people all the time, so you need to take your best shot. The next step is targeting. Solomon (2012:198) describes targeting as a strategy in which marketers evaluate the attractiveness of each potential segment. According to Solomon (2012:201), the final stage of this strategy is positioning. Positioning means developing a marketing strategy to influence how a particular market segment perceives a good or service in comparison to the competition. To position a brand, marketers have to clearly understand the criteria of target consumers to evaluate competing products and then convince them that their product, service, or organization will meet those needs. Therefore, the strategy STP (Segmenting, Targeting, and Positioning) is a major factor in influencing consumers' purchasing decisions.

Samsung considers that every parts of the business are important. Samsung Company's management understands that segmenting strategy and brand positioning have important roles in influencing consumers to make purchasing decisions. Samsung Group is one of the world's largest electronics companies. Established on March 1st, 1938 in Daegu, Korea, the company operates in 58 countries and has more than 208,000 workers. Samsung until today become one of the biggest brands in the world by releasing smartphones that became champion in the gadget market competition. One of them is the Samsung Galaxy. Today, Samsung operates in six business areas, namely telecommunications (mobile phones and network), digital household appliances (including washing machine, microwave oven, refrigerator, VHS player and DVD), digital media, LCD, semiconductors, and motor vehicles (including machine).

Samsung's success in the field of technology particularly has made it among the top five in the world. Based on preliminary observations, the researcher used secondary data to provide authentic data about the Samsung Company. Researchers refer to the data presented by Trend Force.

TABLE 1.1. GLOBAL TREND FORCE SURVEY IN 2015-2017

Rank	2015	Market Share	2016	Market Share	2017	Market Share
1	Samsung	24,7%	Samsung	22,80%	Samsung	22,60%
2	Apple	18,2%	Apple	15,3%	Apple	15,60%
3	Huawei	8,30%	Huawei	9,60%	Huawei	11,10%
4	Lenovo	5,40%	Oppo	7,2%	Oppo	8,50%
5	LG	5,20%	Vivo	6,00%	Vivo	7,10%
6	Xiomi	5,20%	LG	5,5%	LG	5,50%
7	Oppo	3,80%	Xiomi	3,70%	Xiomi	3,80%
8	TCL	3,70%	Lenovo	3,70%	Lenovo	3,80%
9	Vivo	3,60%	TCL	3,70%	TCL	3,20%
10	ZTE	3,40%	ZTE	3,50%	ZTE	3,00%
11	Others	18,50%	Others	18,90%	Others	15,90%

Source: Trend Force, January 2017

The data in Table 1.1. that were taken in January 2017 showed the world's smartphone market share. Trend Force is one of the international institutions which have accountability of international product sales network, including smartphones.

Conversely, according to Table 1.1. although Samsung is in the top five of the world, stock movements decreased from year to year, in 2015 by 24.7% until the beginning of January 2017 by 22.6%. On the other hand, competitors like Oppo managed to rise from the ranks 7 to rank 4. Many consumers switch from

Samsung to Oppo because the specifications and the features are similar to Samsung, but the prices are cheaper.

TABLE 1.2. INDONESIA'S TREND FORCE SURVEY IN 2013-2015

NO	2013	Market Share	2014	Market Share	2015	Market Share	2016	Market Share
1	Samsung	32.5%	Samsung	28.0%	Samsung	26.6%	Samsung	22,2%
2	Apple	16.6%	Apple	16.4%	Apple	16.4%	Apple	16.8%
3	Lenovo	4.9%	Lenovo	7.9%	Lenovo	7.4%	Huawei	9.3%
4	Huawei	4.4%	LG	6.0%	Huawei	6.6%	Lenovo	6.2%
5	LG	4.3%	Huawei	5.9%	Xiomi	6.5%	Xiomi	5.8%
6	Sony	4.1%	Xiomi	5.2%	LG	6.1%	LG	5.0%
7	Coolpad	3.6%	Coolpad	4.2%	TCL	4.1%	TCL	4.0%
8	ZTE	3.2%	Sony	3.9%	Coolpad	4.0%	Oppo	3.9%
9	Nokia	3.0%	ZTE	3.1%	ZTE	3.4%	Vivo	3.4%
10	RIM	2.5%	TCL	2.7%	Sony	3.1%	ZTE	3.1%

Source: Trend Force, Jan 2016

Based on the survey results in Table 1.2 in 2013 to 2016, Samsung is the market leader in Indonesia with a market share of 32.5% in 2013 which is the highest point of Samsung in the last three years, but at the end of 2016, Samsung's market share dropped to 22.2 % in which Samsung remains the market leader. It might happen because of its competitor, Lenovo, which started at 4.9% and rose to 6.2%. According to the data, although Samsung ranked number one each year, Samsung's market share decreased. Subject shows that the indication of the problems that occur in the company. Thus making the number of the company's market share decrease each year.

According to Trend Force's research referred to a dissertation by Edi Kurniawan, Samsung's decline in performance is due to its market share, especially in the low-end and middle-end segments, which was seized by Chinese vendors such as Huawei, Xiaomi, Lenovo and other Chinese vendors that are so aggressive to get low-end and middle-end market segment. They are indeed being successful in the market segment, however according to analysis from Trend Force, Huawei, Xiaomi, Lenovo and other Chinese vendors are not able to penetrate the high-end smartphone market because that segment is still controlled by Samsung and Apple.

Samsung is a smartphone that is currently still one smartphone demanded by the public, produced by one of the world's major companies Samsung. Features and specifications presented makes Samsung have the high-technological capability and advanced internet facilities to well facilitate the activities of communicating.

TABLE 1.3 SAMSUNG PRODUCT SPECIFICATIONS MARKETED IN INDONESIA

Specification	Type of Samsung Smartphone					
	Samsung Galaxy Mega 5.8 I9152	Samsung Galaxy Mega 6.3 I9200	Samsung Galaxy S3	Samsung Galaxy S4 I9500	Samsung Galaxy S5 LTE-A	Samsung Galaxy S6
Operation System	Android v4.2.2 (Jelly Bean)	Android v4.2.2 (Jelly Bean)	Android v4.2.2 (Jelly Bean)	Android v4.2.2 (Jelly Bean)	Android OS, v4.4.2 (KitKat)	Android OS, v5.0 (Lollipop)
Capacity	1.5 / 64 GB	1.5/64 GB	1/64 GB	2/64 GB	3/128 GB	3/128 GB
Memory	8 GB	16 GB	32 GB	16 GB	32 GB	32 GB
Screen	5.8 inch, 540x960 pixels	6.3 inch 720x1280 pixels	4.8 inch 720x1280 pixels	5 inch 1080x1920 pixels	5.1 inch 1440x2560 pixels	5.5 inch 1440x2560 pixels

Processor	Dual-core 1.4 GHz	Dual-core 1.7 GHz Krait	Quad-core Exynos 4412/ Mali-400	Exynos 5 Octa 5410 Quad-core 1.6 GHz	Quad-core 2.5 GHz Krait 450/Adreno 420	Quad-core 1.3 GHz Cortex-A53/ Quad-core 1.9 GHz Cortex-A57
Camera	8 /1.9 MP	8/1.9 MP	8/1.9 MP	13/2 MP	16/2 MP	20/5 MP
Batery	Li-Ion 2600 mAh	Li-Ion 3200 mAh	Li-Ion 2100 mAh	Li-Ion 2600 mAh	Li-Ion 2800 mAh	Li-Ion -
Weight	182 g	199 g	-	130 g	145 g	-
Price	Rp.2.600.000	Rp. 3.000.000	Rp. 2.000.000	Rp. 2.900.000	Rp.5.000.000	Rp. 7.750.000

Source: www.detikponsel.com

The decision to buy a product that is influenced by the assessment will shape the quality of the product. The increasingly progressive demands will force companies to create more qualified goods that will make companies engage in various business sectors against the rivalries to improve the quality of their products in order to maintain the segmentation, targeting, and positioning of the company to the consumer which is fundamental to their marketing strategy.

FIGURE 1.1. LOGO AND SLOGAN OF SAMSUNG SMARTPHONE

Source: www.wikipedia.com

The role of strategy is essential; its formulation is made at the level of strategic business unit (SBU) of a company. This strategy consists of three

elements, namely segmenting, targeting and positioning. Segmenting is considered as mapping strategy because the company separates the cluster of society's classes into a certain groups in which the company is able to know what the groups are within that holistic society. The philosophy of the Samsung logo is oval background that aims to create a sense of dynamic and blue means responsibility and commitment, which means that the segmentation Samsung smartphone is positioned as a dynamic and elegant lifestyle. Samsung slogan is "The Next Big Thing Is Here". That means Samsung smartphone is a product expected by everyone because it has a very good quality and have continuous improvement throughout the process of innovation itself. This product is purposely created to meet consumers' needs. Samsung's segmentation is divided into four parts:

1. Geographic

In terms of geographic segmentation, the products are aimed in all regions throughout Indonesia, especially in large cities, as well as some other developing countries such as Malaysia, India, Singapore, etc. Even some market are specialized and accustomed to mobile phones exclusively. This phone can be found within that market.

2. Demographic

Demographic segmentation is divided into several sections such as age, gender, income, etc. These products are used by teens and adults alike ranging from 13-60 years of age. This product can also be used for women and men.

Samsung Smartphone is devoted to the middle class and above, since the price of Samsung's smartphone from Rp. 2.000.000 – Rp. 7.750.000.

3. Psychographics

Samsung Company also group consumers based on personality and lifestyle which are deemed differently that result in the product individualization as every product represents customer differences. For example is the Samsung Galaxy Young, suggested from the name Young, the phone is for those who are young. There was also a special edition Samsung Galaxy Y is the Samsung Galaxy Y Hello Kitty, with a design that is very girly. This makes the Samsung Galaxy Y Hello Kitty is suitable for use by young women, especially those who love Hello Kitty. So is the Samsung Galaxy S6 has a high capacity with large memory because of the expensive price reserved for the elite.

4. Behavior

Those who purchase this phone are those who need a sophisticated phone with good features and elegant design, and those who always need connection to the internet. Usually they are loyal consumers who are accustomed to using the Android phone.

For positioning strategy, the company is using the advantages of product attributes, competition by competitors, product category and price. It is a strategy to get a good position. Based on the description of the background, this research would be entitled **"The Influence of Segmenting Strategy and Brand**

Positioning Strategy on Purchasing Decision (Study at Samsung Smartphone in Indonesia)"

1.2. Problems Formulation

Based on data obtained from TrendForce on January 2017, Samsung has decreased the percentage of market share in 2015 to 2017 in the world. On the other hand, compared to Xiomi, the growth from year to year has increased. Likewise, based on data TrendForce, Samsung also suffer a decrease in the market share of four consecutive years from 2013-2016 in Indonesia (Table 1.1 and 1.2). There was a decrease on the market share of Samsung smartphones from year to year, although Samsung's market share still ranks among the top five.

Based on the above problems, the formulation of the problem of this study are as follows:

1. Does segmenting strategy influence purchase decisions at Samsung smartphones in Indonesia?

2. Does brand positioning strategy influence purchase decisions at Samsung smartphones in Indonesia?

1.3. Research Objectives and Research Benefits

1.3.1. Research Objectives
This study has the following objectives:

1. To know whether segmenting strategy has an effect on purchasing decisions in Samsung smartphones in Indonesia.

2. To know whether brand positioning strategy has an effect on purchasing decisions in Samsung smartphones in Indonesia.

1.3.2. Research Benefits

If the purpose above is achieved, then the researcher hopes this study can provide the benefits as follows:

1. Benefits for the company:

   It is expected the presence of this study can provide information or input an effort to improve the performance of companies that will ultimately be beneficial for stockholders.

2. Benefits for academics:

   a. As reference material, especially in the material segmenting strategy and brand positioning strategy.

   b. As a comparison to other researchers who discuss the matter segmenting strategy and brand positioning strategy.

3. Benefits for researchers:

   To acquire knowledge both theory and practice, especially in the field of segmenting strategy and brand positioning strategy.

II. LITERATURE REVIEW AND HYPOTHESIS

2.1 Literature Review

2.1.1 Segmenting Strategy

According to Wind in Epetimehim (2011), market segmentation involves the grouping of customers with similar needs and buying behavior into segments, each of which can be reached by a distinct marketing program. The concept attempts to reconcile differing customer needs with limited company resources, and allows product and marketing offerings to be adjusted to suit different customer groups.

In line with Kotler and Keller (2012:214), market segmentation divides a market into well-defined slices. A *market segment* consists of a group of customers who share a similar set of needs and wants. The marketer's task is to identify the appropriate number and nature of market segments and decide which one(s) to target.

According to the marketing literature, by segmenting helps companies to identify market opportunities and improve the allocation of resources, this should help in the development of a sustainable competitive position and ultimately lead to better customer satisfaction in Epetimehim (2011).
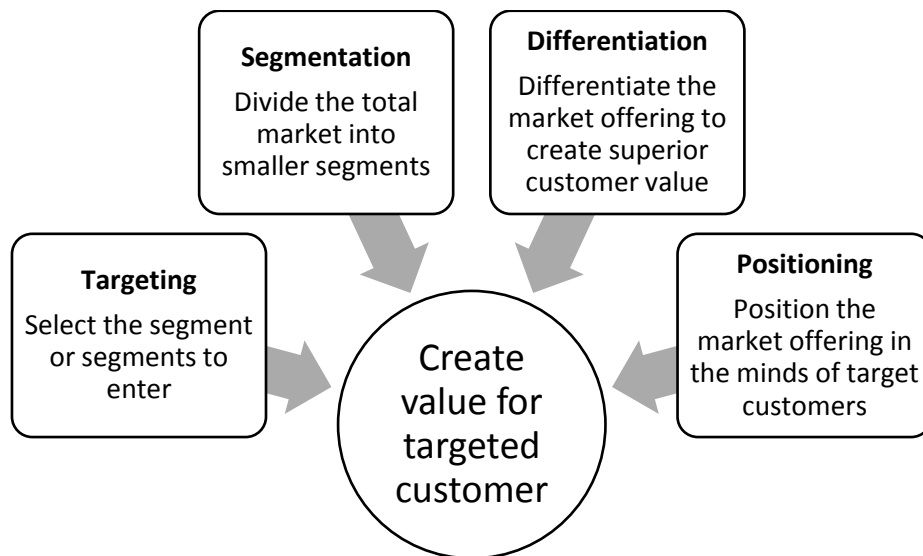
FIGURE 2.1 *DESIGNING A CUSTOMER DRIVEN MARKETING STRATEGY*
Source: Principles of Marketing Kotler and Amstrong (2012:191)

Figure 2.1 explains the role of segmenting and targeting markets that also determine positioning and differentiation against its competitors. It shows the four main steps in designing customer-driven marketing strategy. In the first two steps, companies select customers who will serve, segmenting the market involves dividing the market into smaller segments of buyers with different needs, characteristics, or behavior that may require separate marketing strategy or mix. The company identifies different ways of segmenting the market and developing market segmenting profiles generated.

As stated by Fill and Page in Simanjuntak (2012), segmenting the market can be done by grouping the appropriate activity. Efforts are being made to clarify and define market segmentation, using a wide range of variables, ranging from

consumer classification based on products to their needs. There are two methods commonly used in segmenting the market:

a) Breakdown Method, in which assume market consists of the same consumer groups, so that there are major problems in the identification of a group that has specific differences.

b) Build-up method, in which considers the market consists of different consumer needs, so that the efforts are to find similarities between them.

Based on the above methods, the breakdown method is the most popular one, while for the build-up method, seeks to identify the similarities found in the overall market different consumers. Another approach that can be used in market segmentation is priori and post hoc according to Green in Simanjuntak (2012). The following picture is marketing strategy planning process by using segmentation analysis.
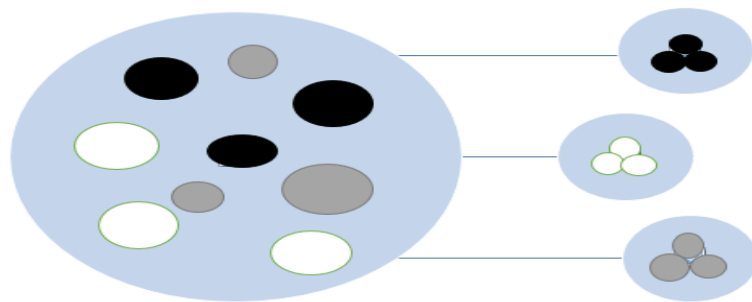
FIGURE 2.2. MARKETING STRATEGY PLANNING PROCESS

Source: Simanjuntak, Analsis Segmentasi Pengguna *Mobile* Internet, 2012

Priori is a segment which is determined by the votes of previous researches. This approach is generally through seven stages.

1. Selection of the basis for segmenting, e.g, demographic, social and economic conditions.

2. Selection for description of the segments including hypotheses relating between definitions and basis of segmenting.

3. Design a sample, generally uses stratified sampling, and there are some cases using a quota sample.

4. Data collection

5. Establishment of segments based on the grouping of respondents.

6. Establishment of profiles of each segment using multivariate methods, for example, multiple discriminate analysis, and multiple regression analysis.

7. The invention is related to the size of the segment had been previously thought and shape it in a specific marketing strategy, including selection of target segments and the design or modification of the strategy.

Post Hoc is grouped segment of research and focusing on these following processes:

1. Design a sample, generally use quotas.

2. Identify methods of analysis.

3. Data collection.

4. Analysis of the data, the formation of different segments using multivariate methods such as cluster analysis.

5. Establish the segments profile.

6. Translate related research to profile segments size into marketing strategy.

Many other segmentation methods are evolving, in other words existing customers have needs that someday might change, that as a result they no longer belong to the previous segment. Other segmenting methods are:

According to Kotler and Armstrong (2012: 191) the fundamentals of the market segment comprised of:

1. Geographic Segmentation

This segment divides a market into some different geographical units, such as nations, states, regions, counties, cities, or even neighborhoods. Advertising media broadcasting is using geographic segmentation because consumers have different shopping habits are influenced by the location in which they live. Each region has a different character to other regions. Therefore every region in the country needs to be grouped based on similarity of character.

2. Demographic Segmentation

As stated by Mooiji in Laroche (2011) four of the most common demographic variables employed in domestic and international segmentation include age, gender, income, and education. According to Wijaya (2006) demographic factors often used as the basis for segmenting consumer groups because of the needs, desires and consumer usage rate is closely related to demographic variables. The demographic data is needed among other things to anticipate changes in consumer marketing; it involves how consumers assess the available potential in each geographical area that can be reached. Demographic variables can be explained as follows:

a. Age

Companies often use this segmenting way in reaching desired consumers so that we can know the program for consumers of children, adolescents, adults, and so on.

b. Gender

Lately, the differential effect of gender is among the most robust findings in the literature. Males and females differ on many aspects of consumer behaviors, including shopping patterns, information processings, judgments, responses to advertising, and the products they tend to buy, as stated by Cleveland in Laroche (2011).

c. Profession

Consumers who have specific types of work generally consume certain items that are different from other types of work.

d. Education

Consumers can also be grouped by level of education. Usually education determines their income and social class, besides that education also determines the level of one's intellectual. Keillor in Laroche (2011) describes higher education levels expose individuals to different cultural perspectives and make them less likely to follow local behavioral norms and more global as consumers.

e. Income

Products purchased are related to people's revenue as well as the consumption which is influenced by social class. A person's income in social class will affect the tendency to consume.

3. Psychographic Segmentation

Psychographics is segmenting based on lifestyle and personality. Lifestyle affects a person's behavior, and ultimately determines a person's consumption choices. Lifestyle reflects how people spend time and money in their daily activities and interests.

4. Behavior Segmentation

Behavior segmentation divides buyers into segments based on knowledge, attitudes, usage, or their response to a product. Marketers believe that segmenting the behavior is the best starting point for building market segments.

Best adapted from book "Market-Based Management" (2009) in Kotler and Keller (2012: 231) explains that there are many statistical techniques to develop market segments. This has led some researchers to advocate market-based approach to segment the market needs, as described by the seven-step process of segmenting.

1. Needs-Based Segmentation

   Grouping customers into segments based on similar needs and benefits sought by customers in solving a particular consumption problem.

2. Segment Identification

   For each needs-based segment, determining which demographics, lifestyles, and usage behaviors makes the segment distinct and identifiable (actionable).

3. Segment Attractiveness

   Using predetermined segment attractiveness criteria (such as market growth, competitive intensity, and market access), and determining the overall attractiveness of each segment.

4. Segment Profitability

   Determining segment profitability.

5. Segment Positioning

   For each segment, creating a value proposition and product-price positioning strategy based on that segment's unique customer needs and characteristics.

6. Segment "Acid Test"

   Creating "segment storyboard" to test the attractiveness of each segment's positioning strategy.

7. Marketing-Mix Strategy

   Expanding segment positioning strategy to include all aspects of the marketing mix such as: product, price, promotion, and place.

2.1.2 Brand Positioning Strategy

Positioning is one of the processes of STP (Segmenting-Targeting-Positioning) marketing strategy. After dividing the market into several market segments based on specific indicators and selecting one or some of the market segments to be used as target markets, the next step is determining the position to be created in the minds of consumers.

According to Solomon (2012:201), positioning strategy is designing an offer and a corporate figure that occupies a distinguished position between competitors in the minds of customers.

While Bovee in Srivastava (2013) defines positioning as 'the process of promoting buyers to form a particular mental impression of our product relative to our competitors'. Similar with that, Aaker in Olsanova (2013) states that brand

position is part of the brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage over competing brands.

According to Wijaya (2006), positioning is how a company's brand can go in and dominate the minds of customers. Too many consumers are faced with information about products and services. Consumers are unlikely to re-evaluate the product at any time to decide purchase, otherwise in the minds of consumers every product or brand will be grouped into several categories. Positioning is not the activities that marketers do with the product, but the activities that carry marketers on the minds of potential customers with the right position so that the product can be implanted in the minds of customers.

Based on the above explanation, the positioning is a strategy of placing a product in the minds of consumers through differentiation that is unique and different from its competitors. Positioning does not always put a new product but it is an attempt to manipulate the product in the minds of target customers that encourage the formation of a specific figure the company wants the products offered. Positioning is a continuing process and will not end because of the environment which is always changing. Companies must quickly anticipate changes in the transform and so they can survive in a competitive market.

Some product positioning strategies that can be undertaken by the company in marketing their products to target markets in Kotler and Keller (2006: 265) are mentioned below.

1. Positioning based attributes

2. Positioning based benefit

3. Positioning based application and use

4. Positioning based the user

5. Positioning based competitors

6. Positioning based product category

7. Positioning based price

2.1.2.1 Positioning Based Attribute

Positioning is done by highlighting the attributes (characteristics) of a product that are superior compared to its competitors. Positioning based on the characteristics is done by associating a product with a particular attribute such characteristics, specific characteristics or the benefits to customers. The selection of attributes that will be the basis of positioning should be based on six criteria which are:

1. Importance, meaning that these attributes are very valuable in the eyes of the customer in this case quality

2. Distinctiveness, meaning that these attributes are not offered by other companies. It could also be attribute and packed more clearly by the company than its competitors.

3. Communicability, meaning that these attributes can be communicated simply and clearly, so the customers can easily understand.

4. Preemptive, meaning that these attributes cannot be imitated by other competitors.

5. Affordability, meaning that the target customers will be able to pay the difference or uniqueness of these attributes. Each additional fee for specific characteristics is worth the value added.

6. Profitability, meaning that the company is able to earn additional income by accentuating the differences

Based on above criteria, the product attribute indicators used to determine the purchase decision in this study are:

1. The degree of quality

2. Uniqueness

3. Communicability

2.1.2.2 Positioning Based Benefits

This method has intention that the product is positioned as a leader in a particular benefit or more was associated with more benefits given of a product. The benefits of positioning are based on the advantages of the product in satisfying the needs, desires and tastes of consumers. Based on the explanation above, positioning indicators used to determine the benefits of purchasing decisions in this research are:

1. Needs

2. Social Status

3. Substitution

2.1.2.3 Positioning Based on Application and Use

How this is done with a set of values includes the use and application. Positioning is based on the use or application of the product that can use multiple positioning strategies although each additional strategy is able to invite trouble and risk. It is often used as a positioning based on the use of second or third position which is designed to develop the market. Positioning based on the application and the use of derivatives is not used as a variable in this study, because it has already spanned the hierarchy by positioning based benefits.

2.1.2.4 Positioning Based User

This means positioning the best product for a number of user groups, or in the other words, the product is aimed more at a community or more. Or in other words according to the user's positioning is done by associating a product with personality or type of product consumers.

Based on the above explanation, the user does not use the positioning indicator to determine the purchase decision in this study, because it also has spanned the hierarchy of positioning based on the qualities.

2.1.2.5 Positioning Based Competitors

It is attributed to the competitive position of the first competitor. This kind of positioning is often convincing customers that one brand is better than a brand being the market leader for certain characteristics. Overall product offers brand name in full and better positioned than its competitors. Based on the above

explanation, competitor positioning indicators are used to determine the purchase decision in this study:

1. Comparison of Quality Products

2. Comparison of Quality Promotion

3. Comparison of Packaging Design

2.1.2.6 Positioning Based Product Category

It is positioning by transferring or replacing certain product classes, e.g. based on consumers who use it, the products and services are divided into two categories, namely:

1. Consumer goods

2. Capital goods

2.1.2.7 Positioning Based Price

This positioning is trying to create the impression or figure of high quality through higher prices or otherwise emphasize low prices as an indicator of value. Here the product is positioned by providing the best value. Based on the above, positioning indicators based on the prices used are:

1. The price of non package

2. The package price promotion

2.1.3 Purchasing Decision

Since consumers recognize businesses, companies need to learn consumer behavior which is the embodiment of all human souls in their daily lives. Perceptions of the influence of internal motivations and others will interact to

determine the final decision which is the most appropriate. According to Prasetya (2011: 26), consumer behavior is the behavior shown by consumers in finding, purchasing, using, evaluating and spent products and services which they expect will satisfy their needs.

There are two important aspects of consumer behavior, namely:

1. The process of decision-making.

2. Physical activities which involve individuals in assessing, acquiring and using goods and services economically.

Consumer buying behavior refers to the buying habits of the consumer. Many factors, specifications, and characteristics could affect individual decision-making process, spending habits, and purchasing behavior. A purchasing decision is the result of each of these factors. An individual, the consumer, is affected by culture, its subculture, social class, group membership, family, personality, psychological factors and other factors.

Consumer characteristics and decision making processes pose particular purchase decision. Marketer's job is to understand what is happening in the consciousness of buyers starting from the stimulation from the outside to the emergence of a buyer purchasing decisions, while the manager's job is to understand what is happening in the consciousness of purchase between the arrival of outside stimulation and purchasing decisions, as stated in Kotler and Keller (2012: 167).

According to Kotler and Armstrong (2012: 152), definition of the purchase decision is the stage in the buyer's decision process in which consumers actually buy. Decision-making is an activity of individuals who are directly involved in obtaining and using the goods offered by the company.

Also in line with Kotler and Keller (2012:152), the buyer decision process consists of five stages: need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior. This is the buyer decision process.
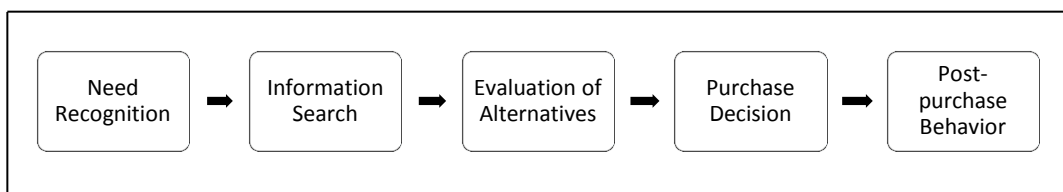
FIGURE 2.3 BUYER DECISION PROCESS
Source: *Principles of Marketing*, Kotler and Amstrong 2012 pages152

This model suggests that consumers pass through all five stages with every purchase but in more routine purchases, consumers often skip or reverse some of these stages. A woman buying her regular brand of toothpaste would recognize the need and then go right to the purchase decision, skipping information search and evaluation. However, the researcher uses this model for showing all the considerations arising when a consumer faces new, complex purchase situation.

1. Need Recognition

The buying process starts with need recognition; the buyer recognizes a problem or need. The need can be triggered by internal stimuli from inside or outside the buyers, for example, a person's normal needs of hunger or thirst will increase until they reaches a threshold of stimulation and turns into an impulse based on existing experience.

2. Information Search

Consumers may not try to be active in seeking information related to their needs. So far these people are looking for information depending on the strength of the drive needs, the amount of information you have, easy to obtain information, satisfaction derived from information-seeking activities, usually the number of activities seeking information increases when consumers get the decision of problem solving situations.

3. Evaluation of Alternatives

Information obtained by buyers is used to get the alternatives way that they face. Companies should strive to understand how consumers recognize the information obtained and their attitude to the brand and purchasing decision.

4. Purchase Decision

Marketers should understand that consumers have their own way to get the information which is obtained by limiting the alternatives that should be selected or evaluated to determine which products will be purchased.

5. Post-purchase Behavior

If the goods purchased do not provide the expected satisfaction, the buyer will change their attitude toward the brand to negative attitude; even they could erase from their selection list. Conversely, if the consumer gets satisfaction from goods, the desire to buy the goods tends to become stronger. Company must reduce resentment or negative feelings in ways that help consumers find information

2.2 Hypothesis Development

This study describes previous researches to simplify the data collection. The emphasis in this study is the theory of segmenting and brand positioning in the purchase decision. For this study, researcher tried to explore and examine the effect of segmenting and brand positioning in the purchase decision (study at Samsung smartphones in Indonesia).

2.2.1 The Effect of Segmenting Strategy (X1) On Purchasing Decision (Y)

According to Kotler and Keller (2012:214) market segmentation divides a market into well-defined slices. A *market segment* consists of a group of customers who share a similar set of needs and wants. The marketer's task is to identify the appropriate number and nature of market segments and decide which one(s) to target.

In a large market has a wide range of buyers. Generally, each buyer has motives and behavior in purchasing. The difference shows the motives and behaviors of the market that heterogeneous products with many consumers have a variety of needs, the desire, the ability to buy, and buying behavior. It is extremely difficult for a company to serve the entire market with different consumer.

According to Ray and Choudhury (2015) *in "The Factor Affecting Consumer Purchasing Decision Making For Selected Home Appliance Product Based On Market Segmentation"* find a positive relationship between segmenting and purchase decision.

Hypothesis I: Segmenting Strategy has a significant influence on purchasing decisions.

2.2.2 The Effect of Brand Positioning Strategy (X2) On Purchasing Decision (Y)

Marketers should determine the position, the positioning in the context of marketing is the way a product, brand or company organization is perceived in relative terms compared with competitors by current customers or prospective customers. According to Solomon (2012: 201) positioning strategy is the act of designing an offer and the company's figure that occupies a distinguished position in the minds of customers. If the position is perceptions of products, so positioning it is mean designing corporate figure to get a special and unique place in the minds of the target market lead more advantages rather than competitor. It can be concluded in the presence of the correct positioning will make the company have the advantage for offering a corporate figure that will make consumers prefer making purchasing decisions in the company compared to competitors. According to Razak's research results (2014), there is a positive relationship between the positioning of the purchasing decision.

Hypothesis II: Positioning Strategy has a significant influence on purchasing decisions.

TABLE 2.1 PREVIOUS RESEARCH RECAPITULATIONS

No	The Name of Researcher	Title, Method, Variables, and Analysis Tools	Research Result
1	Salah S. Hassan and Stephen Craft (2012)	*"Examining world market segmentation and brand positioning strategies"* This research divided *segmenting* into two part: macro-level and micro-level This research used regression analysis.	This journal describes about global branding strategy based on segmenting and positioning product. There are four different strategies in global brand positioning : 1. Developing homogeneous market 2. Targeting different segment in different country 3. Coordinating brand with segment in any country 4. Focusing on different segment that demanded the uniqueness of the brand
2	Debasis Ray and Sayantani Roy Choudhury (2015)	*"Factor Affecting Consumer Decision Making For Purchasing Selected Home Appliance Product Based On Market Segmentation A Feedback Study of People Associated With Management Education".* The research method used is quantitative method where researchers used questionnaires to collect data from respondents. The variables used were demographic, psychographic, and the benefits sought. The analysis tool is SPSS	Three of variables are demographic, psychographic and benefit has influence to purchasing decisions, but from the three factors, the most powerful factors are psychographic.

In the present study, researchers used some previous researches as a research foundation as contained in Table 2.1. From these studies we can conclude that

there are similarities regarding segmentation and brand positioning on purchasing decisions.

• Ho: segmentation and brand positioning has no significant influence on purchasing decisions (study at Samsung smartphone in Indonesia)

• Ha: segmentation and brand positioning have significant influence on the purchase decision (study at Samsung smartphone in Indonesia)
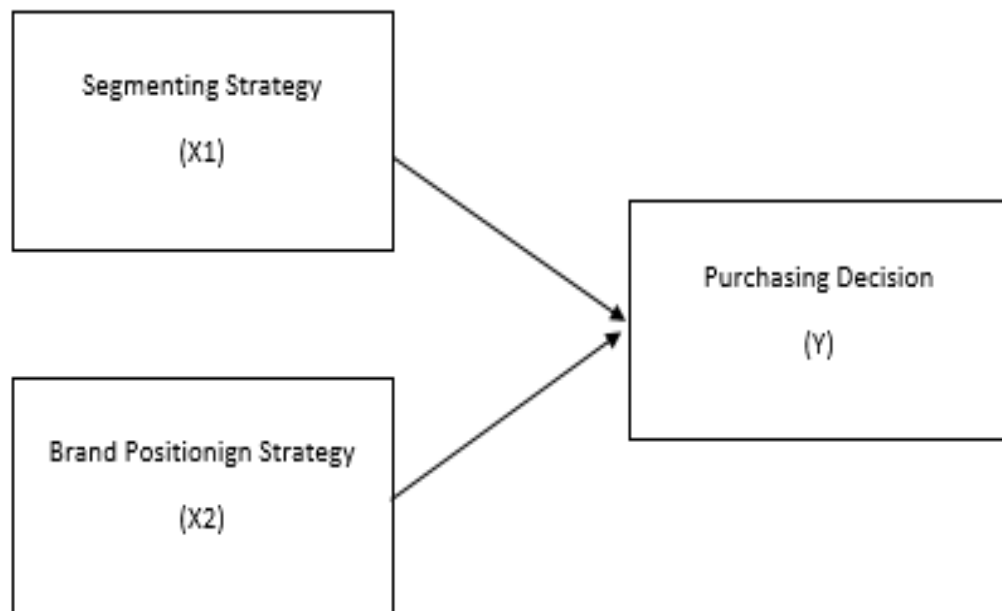
FIGURE 2.4 FRAMEWORK OF RESEARCH PROPOSAL

III. RESEARCH METHODOLOGY

3.1 Research Design

This research used descriptive and verification design. Model descriptive analysis is a method that is carried out to explain the characteristics of the variables examined in a situation, as according to Sekaran (2010: 158). This study also used verification, a method that aims to test mathematically suspicion about the relationship between the variables of the problem that is being investigated in the hypothesis, in the other words as study for testing a hypothesis.

3.2 Operational Variable Description

The research variables are all things formed by what is defined by the researchers to be studied in order to obtain information about it, later drawn conclusions (Sanusi, 2014: 49). Variables are assigned as a concept of nature contained research on the subject and becoming the focus of research activities. Variables used in this research are the independent variable (independent with the symbol X) and the dependent variable (dependent with the symbol Y). The explanations are as follows:

1. Independent Variable

The independent variable (X) is a variable that affects the dependent variable.

In this study the variable X is namely STP (Segmenting, Targeting, and Positioning) at Samsung Smartphone in Indonesia. The independent variables include segmenting strategy (X1) and positioning strategy (X2).

2. Dependent Variable

The dependent variable (Y) is a variable that is affected by the independent variable (variable X). In this research, variable Y is the purchase decision.

TABLE 3.1 VARIABLE OPERATIONAL DEFINITIONS

Variable	Variable Definition	Indicators	Questions	Scale
Segmenting Strategy (X1)	The market segment is composed of a set group of customers that have the same desire. Marketers should try a number of variables segmenting different to find the best way to see the structure of the market, namely the geographic, demographic, psychographic, and behavioral.	1. Psychographic Segment 2.Behavior Segment	1.Social Class 2.Lifestyle 3.Loyalty Status 4.User Rates	Likert Scale
Positioning Strategy (X2)	Positioning is how a company can go in and dominate the minds of customers. Too many consumers are faced with information about products and services.	1.Product Attribute 2.Competitor 3.Product Category 4. Price	5. Quality 6. Uniqueness Packaging 7. Brand Logo 8 The Advantages of Competition 9.Good Promotion 10. Features Design 11. Brand Awareness 12. Types 13. Affordable Prices 14. Discounts to consumers	Likert Scale

TABLE 3.1 VARIABLEOPERATIONAL DEFINITION (CONTINUED)

Variable	Variable Definition	Indicators	Questions	Scale
Purchasing Decision (Y)	The real action of the consumer to buy the product	Purchasing decision of Samsung smartphone in Indonesia	15.Purchase Intention 16.Recommendation 17.Repurchase 18.Buying Habit	Likert Scale

3.3 Measurement Scale Variable

According to Sugiyono (2013: 92), scale variable measurement is an agreement that is used as a reference for determining the length of the short interval in the measuring tool. So the instruments will produce quantitative data are expressed in the form of numbers that would be more accurate, efficient and communicative when it is used in the measurements. This study used a questionnaire using Likert scale with ordinal types (ordinal scale).

Sanusi (2014: 120) defines an ordinal scale as the scale of measurement that states something more than anything else, an ordinal scale value or rank of the dimensional constructs measured variables that indicate a sequence or level of preference votes.

This study used a questionnaire in which each item will be given alternative answers questions that SA, A, N, D, SD and then respondents were asked to choose one among alternative answers to the liking of respondents. For each answer has the following assessment:

1. To answer Strongly Agree (SA) given score of 5

2. To answer Agree (A) given score of 4

3. To answer Neutral (N) given score of 3

4. To answer Disagree (D) given score of 2

5. To answer to Strongly Disagree (SD) given score of 1

TABLE 3.2 MEASUREMENT SCALE

No	Answer	Code	Score
1	Strongly Disagree	SD	1
2	Disagree	D	2
3	Neutral	N	3
4	Agree	A	4
5	Strongly Agree	SA	5

Source: Sugiyono, 2013.

3.4 Population and Sample

3.4.1 Population

According to Sugiyono (2013: 80), population is a generalization region consisting of objects or subjects that have certain qualities and characteristics defined by the researchers to learn and then drawn conclusions. The population used in this study is consumers of Samsung Smartphone in Indonesia.

3.4.2 Sample

Sample is a part of a population that is expected to represent the population in the study. According to Sugiyono (2013: 118), sample is part of the number and characteristics possessed by this population. In line with Sanusi (2014: 87), samples are selected elements of the population; how to choose or select called sampling. There are several advantages to observe by using samples, among others: the quality of the study is better because it can investigate more closely to information processing and more accurate, and it provides more rapidly research results minimize the time between the emergences of the desire for information with the availability of such information.

There are several considerations in determining the size of the sample as the population in large numbers so in practice it is not possible to study all elements, research time constraints, cost constraints and human resources. Those things make researchers would not want to be satisfied only by examining a portion of the research.

The procedure used for data collection is *a non-probability sampling* method, where this technique gives a different opportunity or chance for each element or member of the population to be selected into the sample. Selection of elements based on researcher sample discretion. In this procedure, each element does not recognize the chance to become element sample. *Purposive sampling technique* is essential when the researchers are studying a specific characteristic, feature or function. This type of sampling results in a group of responses does not represent the entire population, but instead represents a group that has a specific

characteristic in common. Market research is a common example of purposive sampling because these researcher looks almost exclusively at people who use a particular product or use a specific store or company.

Hair et al (2006: 112) suggests that the amount of sample that is not known the exact number of the population is a minimum of five times the indicator questions. The number of questions from this study amounted to 38, the obtained results of the sample calculation.

$$\text{Number of Samples} = 5 \times 18$$
$$= 90 \text{ samples}$$

Based on this calculation, the numbers of respondents in this research were 200 respondents to represent consumers of Samsung smartphone in Indonesia which is exactly not known.

3.5 Data Collection Methods

According to Sugiyono (2013: 289), data collection method is the most important step in the study, because the aim of the study is to get the data. Collecting data in this study is using field research techniques (survey) with distributing a questionnaire containing sheet statements of Indonesian society in order to obtain some of the information required.

3.6 Method of Data Analysis

3.6.1. Mechanical Testing Instrument

3.6.1.1. Validity Testing Instrument

Sugiyono (2013: 121) defines validity as a measure of the degree of validity or validity of an instrument. Validity indicates the extent to which the measuring instrument can measure what is being measured. An instrument can be said as valid if it is capable of measuring depends on whether or not the gauge reaches pleases precisely because less valid measurement tool shows that a low level of validity.

Internal validity must meet the construct validity and content validity. Non-test or measurement instruments meet the construct validity if the instrument could be used to measure symptoms which is suitable with how it is defined. Validity construction is a conceptual framework that aims to know what factors affect an activity, which is expected to know the level of performance of an activity. The researcher tested the construct validity in this study by using factor analysis, i.e. by correlating the item scores between instruments within a factor, and correlating factor scores with a total score.

Validity in this study conducted with SPSS 20.0. According Sekaran (2010: 311), if the result of factors model analysis shows the significance under 0.05 and Kaiser-Meyer-Olkin (KMO), anti-image, communalities and factor loading   0.5 it is then declared valid conditions and the sample can be investigated further.

3.6.1.2 Testing Instrument Reliability

Reliability relates to the degree of consistency and stability of the data or findings. Quantitative and positivistic outlook indicates that the data is said to be reliable if two or more researchers within the same object produce the same data or the same researchers in different times produce the same data or data when the group split into two shows different data.

Reliability test in this study using the coefficient Cronbach's Alpha with SPSS. According to Sugiyono (2013: 132), reliability is shown by the coefficient of reliability testing Alpha Cronbach and it can be processed with SPSS 20.0. If there is a statement that has a Cronbach's Alpha value if item deleted greater than Croanbach's Alpha then the statement is not reliable and should do further testing. The test results is said to be reliable if the value of Alpha Croanbach > 0.6 and Alpha Croanbach count value is greater than the Croanbach's Alpha if item deleted (Sekaran, 2010: 182).

3.6.2 Data analysis technique

The data analysis technique is used to describe the analytical technique used by researchers to analyze data that has been collected, including testing (Sanusi, 2014: 115). The data analysis used is multiple linear regression analysis. Multiple linear analysis is basically an extension of the simple linear regression, i.e. increasing the number of independent variables that were previously only one to two or more independent variables.

3:6.3 Hypothesis Testing

Testing the hypothesis is equivalent to a significant test multiple linear regression coefficient and is partially related to the research hypothesis statement (Sanusi, 2014: 144).

3.6.3.1 Normality Test Data

Data normality test aims to test whether the capital variable regression residuals have a normal distribution. Normality test used in this study is to look at the table Kolmogorovv Smirnov Test. Basis for a decision in the normality test is if the significance value greater than 5% (0.05), then the data is normally distributed. Conversely, if the significance value less than (0.05), then the data are not normally distributed (Ghozali: 2013).

3.6.3.2 F Test

According Suliyanto (2011: 55), this test is used to determine whether the independent variables X1 and X2 together significantly influence the dependent variable (Y) at a rate of 95% or   5% with the test criteria:

Ho is accepted and Ha is rejected if F count   F table

Ho is rejected and Ha accepted if F count   F table.

3.6.3.3 Significant Partial Test (t-test)

According to Sanusi (2014: 138), t-test is used to determine whether the independent variable in the regression model (X) partially has significant effect on

the dependent variable (Y) at the 95% confidence level. Criteria for decision-making are as follows:

Ho is accepted and Ha rejected if t count   t-table, at   = 5%

Ho rejected and Ha accepted if t count   t-table, at   = 5%

3.6.3.4 The Coefficient of Determination Adjusted Test (Adjusted R2)

The function of the coefficient of determination (R^2) is to measure how far the ability of the model to explain variations in the dependent variable. The coefficient of determination is between 0 and 1. The value of R^2 which might indicate the ability of independent variables in explaining the variation is very limited dependent variables (Sanusi, 2014: 136). Value close to 1 means the independent variables provide almost all the information needed to predict the dependent variations.

V. CONCLUSIONS AND SUGGESTIONS

5.1 Conclusion

Based on the results and discussions that have been carried out, the conclusion of this research is that Segmenting Strategy (X1) and Brand Positioning Strategy (X2) have a significant influence on the Purchasing Decision (Y) based on the following considerations:

1. The results of significant level in the T-test obtained by Segmenting Strategy (X1) is 0,000 and Positioning Strategy (X2) is 0,000 which are both under 0,005 so they have partial influence on purchasing decision variable.

2. The F-test in the ANOVA table test shows that the independent variables statistically significantly predict the dependent variable. F Count is lower than F Table (125,652< 3,04).

3. The test results adjusted R2 has a value of 0.572. This means that the variable Strategy Segmenting, Targeting Strategy, and Positioning Strategy have role in contributing as Purchase Decision variable by 55,6% and the 44,4% remains are influenced by other variables not investigated in this study; for examples are the promotion mix, corporate social responsibility, and brand equity.

5.2 Suggestions

Based on the results and discussions that have been described, the researcher recommends some suggestions as follows:

1. The segmenting variable has two indicators in this research; those are psychographic and behavioral indicator. Both of these indicators have the lowest respondents' answers at 31.5% of lifestyle and loyalty status questions. Thus, Samsung Smartphone companies should give attention to lifestyle and loyalty status on every consumer.

2. Brand positioning variable with competitors and price indicators get the lowest percentage of respondents' answer at 20%. The statement is "promotion of Samsung Smartphone is more interesting than other brand and price offered by Samsung Smartphone is affordable". Samsung Company should give attention to promotion strategy on online media, as doing collaboration with artists such as Raisa and Isyana Sarasvati. Beside the affordable price, the development of technology could make other smartphone companies manufacture products that have better specifications with lower price, so Samsung Company should improve the quality, features and adjust the price of each product.

3. Samsung Smartphone companies should reconsider strategies related to segmentation because segmenting is smallest variable that influence on Purchase Decision. Samsung Company must create a segment in each product, so it can create the right purchasing decisions.

4. Suggestions for further researchers who will develop this research, they should use other variables that are not used in this study, in order to know other variables that also influence the Purchase Decision on Samsung Smartphone.

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