

CHAPTER I

INTRODUCTION

1.1 Research Background

Globalization emerged through a rise of international trade. The term globalization is defined as an internationalization of commodity culture, production and financial markets through the world becoming “integrated into one economic space” at a fast pace (Torelli & Stoner, 2019; Gibson-Graham, 2006). It is the world’s different countries coming together, working as a united front in mutual benefit from one another by constraints of opportunity costs and differences in resource availability. Globalization shapes the 21st century, from the growth of “global linkages and global consciousness” which is “turning the marketplace into a multicultural environment” (Torelli & Stoner, 2019). By globalization, nations are exposed to global, foreign, and local cultures simultaneously defining consumer behavior in product categories. Multinational brands leverage the flexibilities and low costs of coordination, communication, and operations by an integrated global system through economics of scale by lessened average costs (Ceyda Aysuna et al., 2016; Kartal B et al., 2004).

From the 1990’s till date globalization is mainly driven by great leaps in technology that has heightened the access to real-time information, seamlessly through the “speed and density of global networks” (Arrighi, 1999), steering the advancement of products with outstanding capabilities. It has brought further ease, convenience in our lives and prompted urbanization of developing economies. Globalization has led to the world markets to “compete intensely” with one another to attain global competitiveness through global brands. Globalization has spurred companies into expanding to unexplored markets world-wide for the past few decades in underdeveloped and developing nations (Randrianasolo, 2017).

Globalization has caused global brands to be the main driver for this, as they demonstrate power and influence (Özsomer & Altaras, 2008) from its apparent

globalness. Multinational Companies (MNC's) are the wheels behind globalization, as they bridge the gap between individual nations to invest, produce, transfer knowledge and technology internationally through global branding (Kenya, 2020). This leads to a presence of a global consumer culture and global identity in the global smartphone industry in which multinational smartphone brands cater a global demand (Alden et al., 1999). The global smartphone industry, is held by numerous multinational smartphone brands such as Apple with its iPhone's, Samsung, Oppo, Xiaomi and Vivo Ltd, which globally make up around 61% of the market as per table 1.1 in 2020 (Counterpoint Research, 2020). These MNCs with their global brands standardizes its marketing communications worldwide including its logo, packaging and positioning, (Hussein & Hassan, 2018, Ayşegül Özsoyer & Selin Altaras, 2008) to instil a consistent, clear and global image of the brand to an international consumer base.

Smartphones are at present, a large part of our lifestyles. Now, a norm and necessity to own one, through permitting us to easily telecommunicate, quickly access the internet and is pertinent for business, social, educational, and personal reasons. This is due to its compact size, being swiftly reachable and thus requiring minimal effort in comparison to alternative technological devices.

Additionally, 21st century was marked as revolutionary for mobile phones that led to it becoming a necessity in the modernized world, where disruptive technology with product extensions of smartphones by global brands has made consumer trends continually sore worldwide (Persistencemarketresearch, 2021). Moreover, it is evident an acceleration of spending for mobile communication triggers greater sales of smartphones in a competitive market (Mordorintelligence, 2021), as the world population growth rate rises by 1.05% annually, per 2020 and disposable income grows at 1.8% annually, as per 2019 (Worldometers, 2021, IBISWorld, 2021). It plays even a larger role, amidst the Covid—19 pandemic hitting most countries in early 2020, it caused a transition of an offline to online world.

The smartphone industry is a large enabler for globalization as it is growing from its use of advanced technology and through disruptive innovation. The top exporters of

smartphones worldwide originate from China, Japan, and the US. A projection for the years of 2021-2031 indicates the global smartphone market will increase by a compound annual growth rate of 7.8% by 2026 making it an industry full of opportunity and potential (Persistencemarketresearch, 2021). By the 2nd quarter of 2021 it was recorded, that the total shipment of smartphones had a growth of 13.2% that is, 313.2 million devices. This was 0.7% higher than forecasted, thus a rising growth trend in the smartphone industry can continue in the future. In Asian countries, the growth of the smartphone industry results from the large number of product launches from global smartphone brands with their respective differentiated offerings, new business models and innovations resulting in higher desire to own a smartphone. To persistently lure consumers and potential consumers, Global Smartphone Companies launch product line extensions of smartphones with minor or at times major changes through upgrades of their technology in terms of its specifications such as camera, storage and design, executed to remain competitively relevant (IDC, 2021).

Indonesia is an apart of the Asia-Pacific region which is unceasingly growing in terms of its population, technological infrastructure, and disposable income, resulting in the region becoming more appealing for global smartphone brands. Moreover, globalization has prompted the Economic growth in Indonesia deriving from a rise in foreign direct investment (FDI), where “technology transfer” and “institutional improvement” from MNC’S with their resources spread world-wide, it moves from developed to developing countries like Indonesia (Kiki Verico et al, 2020) as they directly invest into the country. Thus, local firms are now competing with the global brands from MNC’S within the domestic landscape.

MNC’S further drives and improves the technology and productivity of local firms as knowledge is transferred from global firms by learning from them, it also prompts greater employment rates and partnerships between these firms within the supply chain. Multinational companies become a gateway for Indonesia as a developing country to be apart of a global identity in terms of “modernity, progress, and a better life” (Hussein & Hassan, 2018; Ustuner and Holt 2010) by earning a

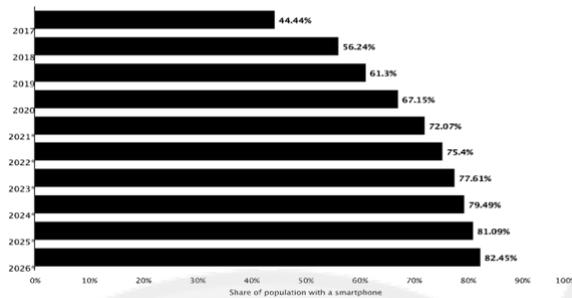
glimpse of prosperous developed countries the brands usually originate from. As a developing country they trust foreign brands, especially global ones and view them as superior with their higher capabilities in technology and innovation compared to local brands, so have greater preference or bias towards them, whereas in developed countries they prefer local brands instead (Hussein & Hassan, 2018; Abor, 2011).

Indonesia is an emerging country with high growth potential, for its smartphone industry due to its “expanding middle class” as it is growing, it is the “key for Indonesia’s future” (Worldbank, 2021) that currently makes up around 20% of the population, additionally is the 4th most populated country world-wide. In 2020 the electronics industry which includes smartphones, experienced a 39.4% YoY growth, with a predicted annual growth rate of 12.2% from 2020 to 2025 in Indonesia. Indonesia is continuously experiencing economic growth and is the 10th biggest economy in terms of purchasing power parity. Notably much of this economic progress, comes from Indonesia’s developing urbanized cities many of which are included within the Jabodetabek area known as the Jakarta Metropolitan area (Worldbank, 2020, Gianina Amira Zahra, 2020) which includes its Capital, Jakarta.

Indonesia has one of the largest smartphone markets in Asia as a result of its growing middle class population (Statista, 2021). As, Indonesia has an average annual GDP growth rate of 5.6% since the last 50 or more years. Furthermore, the middle class in Indonesia has an annual consumption growth of 12% since 2002 (Worldbank, 2020, Gianina Amira Zahra, 2020) meaning affordability of smartphones increases, this also correlates with its growing smartphone penetration rates as seen in figure 1.1 below.

Figure 1. 1

Smartphone Penetration rate of Indonesia 2017-2020 and forecast of 2021-2026



Source: (Statista, 2021)

Currently, Indonesia is the 4th largest smartphone market worldwide, its smartphone users is predicted to amount to 199.2 million users by 2021 (Statista, 2021). As seen in figure 1.1, in 2020 already 67% of Indonesia’s population uses a smartphone and it is predicted this will rise by 15% by 2026, and this year in 2021, it will reach up to 72%. This demonstrates a huge increase from 2017 that had only 44.4% smartphone penetration rate, that resulted from rise in urbanization, technological advancement and economic growth. It has led to increase in investments of global smartphone brands to Indonesia by a rise in availability and need for smartphone such as by “budget-centric” and availability of mid to high end smartphones notably from Samsung and Chinese brands like Oppo and Vivo (Statista, 2021). Thus, a top global brand like Apple dominating the global smartphone industry, has great opportunity to become profitable in an emerging country with a growing middle class, consumption rate and GDP. Along with a high smartphone penetration and a large smartphone market.

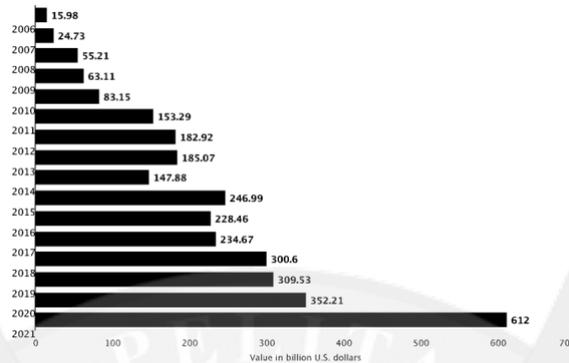
Apple Inc is an American multinational technology company that has a presence in “consumer electronics, computer software and online services” and is a part of the Big 4 technology companies in the World including Amazon and Google (Devex, 2020). Apple Inc was founded in 1977 with its headquarters in Cupertino, California. It “designs, manufactures and markets smartphones, personal computers, tablets, wearables and accessories” it additionally sells services to further support their products and it stick with its exclusivity (Yahoo Finance, 2020).

This study focuses on Apple for its smartphones known as iPhone. Apple's smartphone devices consist of 5 models with yearly editions through product extensions, which are "iPhone, Mini, Pro and Max" and SE, this wider range exists to cater to a larger consumer-base in terms of demographics like income, age, and lifestyle, possible by continuous and disruptive innovations, though are all sold at premium prices as it uses sophisticated technology, thus is of high cost. Apple persistently sell at these premium prices instead of resorting to lower prices as a means of differentiation, to sell pioneered technologies and to maintain its exclusivity, encapsulated in its overall global brand image (Apple Statistics, 2021).

Apple's target market is for a middle to upper class market, the people in this segment were chosen, as they have the means to pay premium prices for Apple's products, as they consider on the tradeoff between higher quality for a higher price. In addition to this, a larger target market for Apple would be Millennials as they are the tech-savvy generation and more in touch with mass media notably social media, thus, are highly influence by the global identity that Apple has fostered from its world-wide reach selling standardized products and global advertisements. Substantiating this, it was found that 25% people in the ages of 18 to 34 were planning to buy an apple product within the next 6 months in 2015 (Abdulla Aljafari, 2016; Gaille, 2015).

Figure 1. 2

Apple Global Brand Value 2006-2021 (Billion U.S \$)



Source: (Statista, 2020)

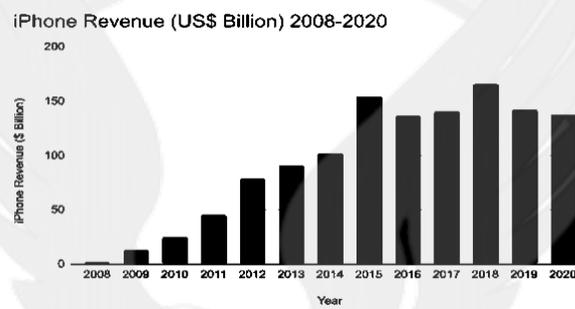
As illustrated in figure 1.2 above, Apple is a global brand with a 612 US billion dollars in brand value as of 2021, this derives from its success in 2020 which is significantly higher than its previous years, it has increased by 174% from the previous year. This is the result of people enticed to join the “elite” community of apple, through its success in consumer loyalty, additionally by its innate ability to attract consumers and potential consumers to its new products, its new products are deemed of having high quality for instance, due the success for its iPhone’s, which remarkably takes more than 50% of its revenue since its launch in 2008 (Apple Statistics, 2021), this has resulted in a positive secondary associations for brand equity in its newer products which involve IoT such as its apple watches (Statista, 2021, Keller, 2019).

Additionally due to this massive increase, Apple now scores the 2nd highest in the most valuable brands worldwide in 2021 with 263.38 billion US dollars (Statista, 2021) and by brand finance it ranks highest in brand finance’s brand value with a 87% increase from 2020. (Gallagher, 2021). Moreover, according to (Steenkamp, 2003) brand value is created by Perceived Brand Quality and Brand Prestige by Perceived Brand Globalness, the variables associated with this study. This study focuses on its flagship product, its iPhone. Moreover, according to (Steenkamp, 2003) brand value is created by Perceived Brand Globalness through Perceived Brand Quality and Brand Prestige, depicting its relevance. iPhone is the most important product for Apple with

greater than 50% of its revenue is generated by iPhone since its launch in 2008 (Apple Statistics, 2021). Thus Apple's iPhone is Apple's most important product and this object is highly relevant to this study with its high brand value.

Figure 1. 3

Global iPhone Revenue (US\$ Billion) of the year 2008-2020



Source: (Apple Statistics, 2021)

As seen in figure 1.3, iPhone revenue has increased immensely since its release in 2008, it has had a steady growth till it reached its peak in 2015. After this, Apple's iPhone had negative growth in terms of its revenue due to their competitors from China such as Xiaomi and Oppo which are taking over Indonesian and global smartphone market in recent years. Apple's iPhone revenue had a decrease of 14% from 2015 to 2020, though still manages to preserve its dominance in the global smartphone market and is growing overtime with slight decreases. Where for quarterly sales, in almost every year iPhone sales are the highest in its first quarter (Apple Statistics, 2021). This implies that Apple's smartphones are constantly innovating year to year to rising its yearly revenues.

Table 1. 1

Indonesian and Global Smartphone Market Share 2019 - 2020

Indonesian Smartphone Market Share					Global Smartphone Market Share				
Brand	Brand Origin	Market Share		Difference (Growth)	Brand	Brand Origin	Market Share		Difference (Growth)
		Q2 2019	Q2 2020				Q2 2019	Q2 2020	
Vivo	China	7.8%	21.2%	13.40%	Samsung	South Korea	21%	20%	-1%
Oppo	China	17.5%	20.6%	3.10%	Xiaomi	China	9%	10%	1%
Samsung	South Korea	27%	19.6%	-7.40%	Apple	USA	10%	14%	4%
Xiaomi	China	21.9%	17.9%	-4%	Oppo	China	9%	9%	0%
Realme	India	7.6%	13.6%	6%	Vivo	China	8%	8%	0%
Others (including Apple)	USA and other countries	18.3%	7.1%	-11.20%	Others	Other countries	43%	39%	-4%

Source: (Counterpoint Research, 2020, Counterpoint Research, 2021)

As seen in table 1.1 which shows the market share of Apple for 2019 and 2020 per quarter 2 of market share of Smartphone market in Indonesia and Globally. Globally Apple's iPhone has the 2nd largest smartphone market share as per Q2 2020, though by Q2 2020 Samsung takes the lead with 20%. Apple's iPhone has a 4% growth difference in terms of market share, as it grew from 10% to 14% within a year, this is the largest market share growth in comparison to other brands, it could explain the negative market share difference between Q2 2020 and Q2 2019 of the others category and Samsung brand. Globally, the world is buying from Chinese brands that are now taking over the market especially in Asia, with Xiaomi, Oppo and Vivo remaining stable with a 0% to 1% growth within a year in terms of percentage of market share with their low to high end smartphones, but in Indonesia the Chinese brands are growing more significantly in terms of market share, indicating a greater threat. Moreover, it is important to note, in the global premium smartphone market share apple

held 47% in Q1 2019 and 48% in Q2 2020 wherein other brands like Samsung held 25% in Q1 2019 and 22% in Q2 2020, in which Apple's iPhone held the largest Market Share in the premium smartphone market (Counterpoint Research, 2019).

For Indonesia, Apple's iPhone is not a top smartphone brand as it is included in the others smartphone category. Apple's iPhone is an exclusively high-end smartphone brand catering to the middle to upper income, as compared to other brands in Indonesia which sell low-end to high-end smartphones and are "budget centric" thus catering to many different income markets even though mid to high end product lines is what is sold by Apple as well (mordorintelligence,2021). As seen in table 1.1 the global smartphone market share is dominated by Chinese brands followed by South Korea and the USA, whereas Indonesia's smartphone market share includes the same but also consists of India and belonging in the others category consists of USA. Though in 2020 Indonesia was an upper to middle class but fell back in 2021 because of the Covid-19 pandemic, indicating in the future it can grow and thus increase the target market size for Apple (Worldbank, 2021).

On 2018-2019 Xiaomi and Oppo with their "budget-centric" and mid to high end smartphones is a threat to Apple as they have captured sufficient market share in Indonesia which has led it to beat top brands like Apple in terms of market share and growth (Statista, 2019). In Indonesia, by Q2 2020 the largest market share belonged to 5 brands which hold around 93% of the market share like Samsung and Vivo. Vivo, Oppo and Realme has a growth difference of 13.40%, 3.10% and 6% respectively between Q2 2020 and Q2 2019. Vivo has grown to become a huge threat recently, with its 13.40% growth massively stealing market share which is largely seen in terms of its impact in the "others category" which includes Apple' iPhone with a negative growth of -11.20%, indicating its potentially reduced from the remarkable rise in Vivo's sales. Samsung has had a -7.40% negative growth difference with 27% in 2019 and 19.6% in 2020 in market share between Q2 2020 and 2019, indicating the Chinese brands have resulted in a reduction Samsung's sales as well which held the first position in Q2 2019 but now the third position in Q2 2020 (Counterpoint Research, 2021). Thus, they more

of a threat to Apple's smartphone as compared to Samsung in the current situation in Indonesia.

Thus, the Indonesian smartphone industry in terms of market share is more volatile than globally given the intense competition for Apple. Globally Apple has the 2nd largest market share yet in Indonesia it is not a large brand in terms of market share even though the market size is growing with Indonesia's economic growth notably in the city area of Jabodetabek given its urbanization. This volatility such as how Vivo grew by 13.40% within a year represents how quickly demand can change, depicting opportunity for Apple's iPhone.

From the points above, it indicates that Apple's iPhone is truly is a prestigious smartphone brand, which is a large part of its brand image. Apple's iPhone is growing and stable in the Global premium smartphone market share and smartphone market share in comparisons to its declining in growth revenues as per 2020 but is not in the case for Indonesia due preference of other brands that are "budget-centric" and have mid to high end smartphone lines. The largest threat of Apple for its iPhone's is Chinese brands of Vivo, Oppo and Xiaomi with their rising growing market shares, with their in Indonesia's smartphone market, where world-wide it is present as well but is not as severe as Apple still largely dominates the market but is not the case for Indonesia.

Additionally, in 2020 Indonesia was classified as upper to middle class country by 2019's economic growth, within normal conditions pre-covid 19 Pandemic, this fits the target market size Apple (Worldbank, 2021) especially as Indonesia is an emerging country with continuous economic growth. Therefore, this study is conducted Jabodetabek as a growing urbanized city area in Indonesia, as this middle to upper market segment largely resides in Indonesia's metropolitan cities to cultivate greater interest of Apple's iPhone in comparisons to competitors as the target market is present.

Smartphones as an electronic gadget are "infrequently purchased products" as they are high involvement products therefore have high perceived risk, making purchase decision more thorough and of importance (Garrido-Morgado et al., 2016).

Thus purchase intention is the primary variable of this research. Wherein, this research studies on Perceived Brand Globalness, Perceived Brand Quality, Brand Prestige and Country of Origin on its influence towards Purchase Intention directly and indirectly for Apple's iPhone in Jabodetabek, Indonesia.

In more details, this research firstly, examines the role of Perceived Brand Globalness (PBG), Country of Origin (COO), Perceived Brand Quality (PBQ) and Brand Prestige (BP) directly to influence Purchase Intention (PI) of Apple's iPhone, as the fundamental relationships in the study. Secondly, Brand Prestige (BP) and Perceived Brand Quality (PBQ) will also act as mediators of Perceived Brand Globalness (PBG) indirectly leading to Purchase Intention (PI). This was first proved to be significant by (Steenkamp et al., 2003) who originated the concept of Perceived Brand Globalness and as prestige and quality make up brand value, this is highly relevant for Apple as it has one of the highest global brand values. Lastly, Perceived Brand Globalness (PBG) will act as a mediator of the relationship between Country of Origin (COO) and Purchase Intention (PI), conducted to be filling a research gap and provide new as well as further knowledge.

Previous studies done on this topic is lacking in recent years, notably ones which examine mediating effects present of Perceived Brand Quality and Prestige towards Perceived Brand Globalness (Massoud Moslehpour et al., 2014) and only 1 study has been done with Perceived Brand Globalness as a mediator of Country of Origin and Purchase Intention (Hatzithomas et al, 2021) though used destination image as the Country of Origin, moreover, studies supported the relationship of country of origin towards perceived brand globalness like in (Han. C, 2020) for this mediation to be possible.

Additionally, most of the quantitative studies to date are done in a boarder context, such as in (Akram et al., 2011, Randrianasolo, 2017, Josphine Chepchirchir, Mark Leting, 2015, Dong & Yu, 2020, Steenkamp et al., 2003). This study on the other hand adds further knowledge of this concept, within the context of one brand in a one industry to better see its clear effects on a specific angle within a set of conditions,

through the discovery of this by a successful global brand. So far this has been under researched, only done, in the smartphone industry by (Massoud Moslehpour et al., 2014), depicting the industry's applicability. This research is based on a modified research model of (Hussein & Hassan, 2018) and (Vuong & Khanh Giao, 2019, Han, C, 2020, Sichtmann et al, 2018, Hatzithomas et al, 2021).

Apple is associated with Perceived Brand Globalness, with its immense global presence and global marketing strategies, but as stated by (Steenkamp, 2003) at times, people do not know the brand is global as they are limited by what they are exposed to in their own country. The ability to leverage this is less in Indonesia, which is represented by a gap, as in Indonesia Apple has a low market share and annual growth as compared to other smartphone brands regardless of the high potential the smartphone market has for Apple. Perceived Brand Globalness can further influence Apple by Perceived Brand Quality and Brand Prestige which forms Brand Value, additionally, Country of Origin for Apple in terms of Brand Origin is United States of America, USA which is a favorable Brand Origin. Apple's iPhone is also a part of the Prestige Smartphone Market. Thus, these are the variables associated with this study to result in Purchase Intention, to gain more profitability and market share globally and locally, the reason Apple does not have high dominance in Indonesia is due to a lack of an association of these concepts towards Apple's iPhone in Indonesia. As stated by Steenkamp, that Perceived Brand Globalness is not strong enough to lead to Purchase Intention alone, but when associated with other variables like Perceived Brand Quality and Brand Prestige, it is stronger. Thus as determinants of Purchase Intention with high association with Apple, the variables of Perceived Brand Globalness, Perceived Brand Quality, Brand Prestige and Country of Origin are studied.

1.2 Research Problem

From the Research background, this research is firstly conducted to apply the Perceived Brand Globalness concept at a smaller scale, to demonstrate its repercussions

on a global brand, as Apple has a high global brand value, it is suitable to study on, focused on its iPhones. Secondly, Apple's iPhone does not have a large dominance and annual growth in terms of its market share in Indonesia as compared to globally because of global brands such as Vivo and Oppo with offerings of mid to high end smartphone product lines, growing and dominating in market share in Indonesia. Thirdly, to provide new and further research on Perceived Brand Globalness as a mediator of Country of Origin (Brand Origin) towards Purchase Intention. Fourthly, as Apple has a great linkage with the Variables in this study with Brand Value created through the globalness of Apple by Perceived Quality and Prestige and that its favourable Brand Origin of USA given its high economic development, use of advanced technology and innovation, Apple taking advantage of these variables is lacking due to its low purchase intention in Indonesia in comparison to globally and competitors in Indonesia.

Lastly, Indonesia as an emerging country, in which its urbanized city area of Jabodetabek is packed with opportunity for global smartphone brands in terms of profitability, as Indonesia is the 4th largest smartphone market in the world, a rising GDP and growing middle-class population of 20% with an annual consumption growth of 12%. This growth is an opportunity for Apple's iPhone to capture the middle to upper class population of Indonesia in Jabodetabek. Therefore, keeping this in mind, Apple's iPhone must generate a greater interest in Jabodetabek to increase purchase intention within an intensively competitive environment to gain a competitive advantage and grab a larger chunk of the market share. This is studied here through variables associated with Apple iPhone which is on how: Perceived Brand Globalness, Perceived Brand Quality, Brand Prestige, and Brand Origin to influence Purchase Intention directly and indirectly for Apple's iPhone in Jabodetabek. Therefore, the research questions are as follows:

1. Does Perceived Brand Globalness influence the Perceived Brand Quality of Apple's iPhone in Jabodetabek?
2. Does Perceived Brand Globalness influence the Brand Prestige of Apple's iPhone in Jabodetabek?

3. Does Perceived Brand Globalness influence the Purchase Intention of Apple's iPhone in Jabodetabek?
4. Does Country of Origin influence the Purchase Intention of Apple's iPhone in Jabodetabek?
5. Does Perceived Brand Quality influence the Purchase Intention of Apple's iPhone in Jabodetabek?
6. Does Brand Prestige influence the Purchase Intention of Apple's iPhone in Jabodetabek?
7. Does Country of Origin influence the Perceived Brand Globalness of Apple's iPhone in Jabodetabek?
8. Does Perceived Brand Quality act as a mediator of Perceived Brand Globalness towards Purchase Intention of Apple's iPhone in Jabodetabek?
9. Does Brand Prestige act as a mediator of Perceived Brand Globalness towards Purchase Intention of Apple's iPhone in Jabodetabek?
10. Does Perceived Brand Globalness act as a mediator of Country of Origin towards Purchase Intention of Apple's iPhone in Jabodetabek?

1.3 Research Objective

Based on the research questions above, the research objectives are as follows:

1. To determine whether Perceived Brand Globalness influences Perceived Brand Quality of Apple's iPhone in Jabodetabek.
2. To determine whether Perceived Brand Globalness influences Brand Prestige of Apple's iPhone in Jabodetabek.
3. To determine whether Perceived Brand Globalness influences Purchase Intention of Apple's iPhone in Jabodetabek.
4. To determine whether Country of Origin influences Purchase Intention of Apple's iPhone in Jabodetabek.

5. To determine whether Perceived Brand Quality influences Purchase Intention of Apple's iPhone in Jabodetabek.
6. To determine whether Brand Prestige influences the Purchase Intention of Apple's iPhone in Jabodetabek.
7. To determine whether Country of Origin influences Perceived Brand Globalness of Apple's iPhone in Jabodetabek.
8. To determine whether Perceived Brand Quality acts as a mediator of Perceived Brand Globalness towards Purchase Intention of Apple's iPhone in Jabodetabek
9. To determine whether Brand Prestige acts as a mediator of Perceived Brand Globalness towards Purchase Intention of Apple's iPhone in Jabodetabek.
10. To determine whether Perceived Brand Globalness acts as a mediator of Country of Origin towards Purchase Intention of Apple's iPhone in Jabodetabek.

1.4 Research Scope

The scope is limited to the conditions as follows:

- Respondents to collect data from, is restricted to, Firstly, respondents must live in the Jabodetabek area which is a part of the Indonesian country and to be 15 or above years old to be eligible to become a respondent. Secondly, respondents must have an interest in purchasing an Apple iPhone or are currently owning an Apple iPhone to be a part of the sample, as this will then only result in Purchase Intention as potential consumers and potential consumers and consumers and potential consumers of Apple's iPhone. Thirdly, the respondents must be users of Smartphone's and know on the presence of Apple in the smartphone industry, to give the appropriate answer and belong in the middle to upper class segment as Apple targets this segment. These are limitations of generalizability of the population by the sampling criteria set and also includes the limited sample size.

- This research is limited to the variables studied: Perceived Brand Globalness, Perceived Brand Quality, Perceived Brand Prestige, and Country of Origin.
- This study can have a variability in findings, if it were conducted in a developed or a developing country as numerous studies suggest such as in, (Randrianasolo, 2017) and (Akram et al., 2011).
- As this is a modified research model it considers, the following: Indonesia is an emerging country, smartphones are a high involvement product, the research model is in the context of a global brand and that Apple's iPhone is a well-known brand, thus can slightly lower generalizability unless similar conditions are met for objects used, as findings can differ when applied to a different environment as stated by (Steenkamp et al., 2003).

1.5 Benefits of Research

The Practical and Theoretical benefits of this research are as follows:

Practical Benefits

- For other smartphone brands: To be used as a source of information for smartphone brand managers to discover how vital it is to understand the reasons behind a purchase to increase Purchase Intention. It allows smartphone companies to see how a one of the largest global brands is perceived by consumers and potential consumers in the emerging country of Indonesia for its iPhones, to learn by it in terms of prestige, quality, country of origin and globalness. Companies can also gain insight on how the given the global and local economic, social environment in Indonesia defines the consumer market.
- For the Apple Brand: Awareness of how Apple's iPhone is doing, in Indonesia in terms of consumers and potential consumers perception and behavior to drive sales and profits. They can leverage this study by implementing the suitable international marketing strategies and attain a deeper understanding of prestige, perceived quality, perceived globalness, country of origin to result in Purchase

Intention and be used for similar national emerging markets to cater the middle to upper class population. They can infer and forecast consumer trends by gaining this insight, through greater effectiveness in taking advantage of their access to a global network.

- To the University: To provide new and further knowledge regarding Perceived Brand Globalness, Brand Prestige, Country of Origin and Perceived Brand Quality for Purchase Intention of Apple's iPhone as a luxurious global brand in the smartphone industry in Indonesia.

Theoretical benefits

- For Researchers: For the findings, implications, analysis, and content of this study to be used as a reference, extremely relevant for international marketing purposes. For further research to be carried out by replications and modifications, that could apply this study in a larger or different context within certain conditions met.

1.6 Research Outline

This research discusses on Perceived Brand Globalness, Perceived Brand Quality, Brand Prestige and Country of Origin towards Purchase Intention either directly or indirectly, the sections of this research is as follows:

CHAPTER I – INTRODUCTION

This consists of the research background of the study which covers relevant topics within the research context. This is followed by the research problems, the research objectives, research scope and research structure.

CHAPTER II – LITERATURE REVIEW

This consists of an explanation of the important theories and on each of the variables in the study which is grounded by pervious research and theories. The variables are Perceived Brand Globalness, Country of Origin Perceived Brand Quality,

Brand Prestige and Purchase Intention. Lastly, it will include previous studies to form each the hypothesis to then result in the research model.

CHAPTER III – RESEARCH METHODOLOGY

This consists of the research design, unit of analysis, the type of research, the variables of study, on population and sampling, on data, and measurement of scales. Along with this, an explanation for the data analysis and descriptive analysis. Followed by an description on inferential statistics done by Partial Least Squares- Structural Equation Modelling (PLS-SEM) that consists of the outer model and inner model. Lastly, the results of the pre-test is explained, to ensure convergent and discriminant validity, internal consistency reliability and indicator reliability of all indicators and variables before carrying on to the actual study.

CHAPTER IV – RESULTS AND DISCUSSION

This consists of the statistical analysis done for the actual study. Firstly, by descriptive statistics of the respondent profile and variables followed by inferential statistics through PLS-SEM conducted by the SmartPLS 3 software, by the outer model for reliability and validity, as well as inner models to find out the effect size, coefficient of determination, collinearity and significance of the hypothesized relationships by path coefficient, direct and indirect effects. Lastly, will be a discussion of the hypothesized relationships and their statistical significance with the findings of this studies and previous studies.

CHAPTER V – CONCLUSION AND RECOMMENDATION

This consists of an conclusion on the results of the data analysis for the hypothesized relationships as well as the Managerial implications, and Recommendation for future research.