RESEARCH ARTICLE

# QUALITY OF PRODUCTS AND COUNTRIES OF ORIGIN AT INTEREST IN BUYING SAMSUNG SMARTPHONE WITH PERCEIVED QUALITY AS INTERVENING

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***Abstract :*** The objectives to be achieved are to find out (1) the effect of product quality on perceived quality, (2) the influence of the country of origin on perceived quality, (3) the influence of the country of origin on buying interest, (4) the effect of product quality on buying interest ( 5) the effect of perceived quality on the buying interest of Samsung Smartphones in Bandar Lampung, and (6) the effect of product quality and country of origin with perceived quality on buying interest. The method used is a quantitative method. Data collection techniques used are literature studies, interviews, and questionnaires. The population is consumers who actively use Samsung Smartphones in Bandar Lampung. Data analysis is by CB-SEM with analysis of estimated maximum likelihood. The results obtained indicate that product quality does not affect perceived quality; country of origin does not affect perceived quality; country of origin does not affect buying interest; product quality does not affect buying interest; the perceived quality does not affect the buying interest of Samsung Smartphones in Bandar Lampung.

**Keywords:** Product quality, Country of origin, interest in buying, Quality felt

**JEL Classifications: E3,F1, H0**

## INTRODUCTION

Their survey results are the best results for the category of smartphones in 2016. Smartphones from Taiwan with the Asus brand were included in the top brand award in the top 9, China began to compete and was included in the Top 5 Top Brand Award list, where the survey was carried out by the frontier counseling group surveying since 2000 with more than 300 products included in this survey. The choice of products that are categorized as Top Brand is based on the parameters of top of mind awareness (the brand that was first thought of by consumers). Last used or the last time used was the respondent, and the future intetion parameter or brand would be consumed in the future. Some Chinese-made smartphone products circulating in Indonesia such as

Oppo and Lenovo began to rise in position to eight and seven while Smartfren occupied the top six of the top brands and Xiaomi occupied the top five tob brand after the Apple Iphone as a competitor of telecommunication products with a brand smartphones that are in demand by consumers and the first top brand is Samsung, which comes from South Korea. From the Top data, the best brand award in the Smartphone category in 2016 is Samsung, 43.4% from South Korea and the list of the best selling smartphone brands in Indonesia is Samsung at 22.0%. Samsung smartphones can be seen from the data always occupying the top brand of smartphones because of the sophisticated technology, image and reputation of the country that is already well-known and good, which always releases its latest products and still maintains the quality of these products to become the top brand.

**Table 1. Best Brands in the Smartphone Category in 2016**

| NUMBER | BRANDS | COUNTRY | TBI |
|---|---|---|---|
| 1 | Samsung | South Korea | 43.4 % |
| 2 | Nokia | Finland | 10.9 % |
| 3 | Blackberry | Canada | 9.8% |
| 4 | Apple Iphone | United States of America | 5.8% |
| 5 | Xiaomi | China | 5.6% |
| 6 | Smartfren | China | 5.4% |
| 7 | Lenovo | China | 4.0% |
| 8 | Oppo | China | 3.4% |
| 9 | Asus | Taiwan | 3.2% |

*Sources: http//www.topbrand-award.com/*

Based on data from the Top Brand award for the best brand in the category of Smartphone in 2016, Samsung was 43.4% from South Korea and the list of the best selling smartphone brands in Indonesia was Samsung at 22.0%. Samsung smartphones can be seen from the data that always occupies the top brand of smartphones because of the sophisticated technology, image and reputation of the country's well-known and good, who always issue their newest products and maintain the quality of these products so that it becomes the top brand.

According to Kotler and Armstrong (2012: 283) in Wahyu et al., Leonardo et al., Maria et al., (2016) Product Quality is: The ability of a product to demonstrate its function, this includes overall durability, reliability, accuracy, ease operation, and repair of products, also other product attributes. One of the main values expected by customers from producers is the highest quality of products and services. From the pre survey data conducted in Bandar Lampung in March 2017 smartphone products have problems in durability because Samsung smartphones are easily damaged, the screen is easily cracked, batteries are not long lasting, smartphones are easy to heat and have problems in product performance because ios are always asked to improve so consumers experience poor perception of the Smartphone Product. Judging from the product quality indicators that affect consumers' perceptions of consumer buying interest, it consists of performance, privilege, reliability, conformity with specifications, durability, serviceability, aesthetics and perceived quality.

The quality of a product is also perceived from the country of origin of Samsung smartphone product production because Country of origin is all forms of consumer perception of the products of a particular country based on previous consumer perceptions of the advantages and disadvantages of the country's production and marketing according to Roth and Romeo , 2013) in I Gusti et al., Alit et al., And I Made et al., (2014: 3608).

From the Pre survey data, there are some consumers who do not know the information on the location of Samsung smartphones produced because even though a label has been made in the product, consumers still do not know where the product comes from because consumers perceive quality as a good product. seen from the state's innovation in production, the level of technological progress of the country of origin of the brand, product design, production creativity, production quality, prestige or prestige of the country of origin and the image of the country of origin as a developed country.

According to the pre-survey data of Samsung smartphones with quality perceived in buying interest, smartphones that have good quality, elegant models, reputation and image of the country of origin are good, but experience obstacles in product features and durability. Furthermore, to find out consumer buying interest is influenced by perceptions of quality directly or indirectly, namely about product quality and country of origin of Samsung Smartphones because According to Kotler (2005) in I Gusti et al., Alit et al., And I Made et al. (2014: 3609) revealed that purchase intention is the purpose or intention, and the tendency of consumers to buy the brands they like the most. Consumers will intend to buy a product if the product has a good perception in the minds of consumers and are liked by consumers because the intention to buy consumers arises from the interest when searching for information about products, consider buying, interested in trying, want to know the product, and finally consumers want to buy the product.

**Research Objectives**

1. To find out the effect of Product Quality on the Samsung Smartphone Perceived Quality in Bandar Lampung.
2. To find out the influence of the Country of Origin on the Samsung Smartphone Perceived Quality in Bandar Lampung.
3. To find out the influence of the country of origin on the interest in buying a Samsung smartphone in Bandar Lampung.
4. To find out the effect of Product Quality on the Interest in Buying a Samsung Smartphone in Bandar Lampung.
5. To find out the influence of Perceived Quality on the Interest in Buying a Samsung Smartphone in Bandar Lampung.

## LITERATURE REVIEW

### Product quality

According to Kotler and Armstrong (2012: 283) in Wahyu et al., Leonardo et al., Maria et al., (2016) product quality is: The ability of a product to demonstrate its function, this includes overall durability, reliability, accuracy, ease operation, and repair of products, also other product attributes. One of the main values expected by customers from producers is the highest quality of products and services. Based on the above understanding, it can be concluded that quality is a product and service that goes through several stages of the process by calculating the value of a product and service without the slightest lack of the value of a product and service. Besides that, it produces products and services that meet the high expectations of customers.

To achieve the desired product quality, a quality standardization is needed. This method is intended to maintain that the products produced meet the prescribed standards so that consumers will not lose trust in the product according to Kotler and Keller (2009: 144).

Consumers always assess the performance of a product, this can be seen from the ability of the product to create product quality with all its specifications so that it can attract consumers to make purchases of these products. Based on the discussion above, it can be said that the quality provided by a product can affect consumer perceptions of the products offered.

### Product Quality Dimensions

According to (Garvin in Lovelock, 1994; Peppard and Rowland, 1995) in Fandy Tjiptono (2008: 25) Dimensions of product quality consist of eight types of dimensions, namely:

a. The performance is the operating characteristics of the core product purchased. Relates to the functional aspects of the product and is a basic characteristic that consumers consider when buying something.
b. Additional features are secondary or complementary characteristics that can add to the basic functions of the product.
c. Reliability is a small possibility of damage or failure to use. Related to the probability of a product in carrying out its functions successfully in a certain time under certain conditions.
d. Compliance with specifications, namely the extent to which design and operating characteristics meet previously set standards.
e. Durability is related to how long the product can continue to be used. This dimension includes the technical age and economical age of use.
f. Serviceability includes speed, competence, comfort, easy repairs and satisfying complaints handling. Services provided are not limited to just before sales, but also during the sales process to after-sales, which also includes repair services and availability of required components.
g. Aesthetics is the product's attraction to the five senses (shape, taste, aroma, sound and others). For example, the physical shape of an attractive car, artistic model / design, color, and so on.
h. The perceived quality is the product image and reputation as well as the company's responsibility for the product. Usually because of lack of knowledge of the buyer about the attributes / characteristics of the product to be purchased, the buyer perceives the quality from the aspect of price, brand name, advertisement, company reputation and the country of manufacture.

### Country of Origin

Country of origin is all forms of consumer perceptions of the products of a particular country based on previous consumer perceptions of the advantages and disadvantages of the country's production and marketing according to (Roth and Romeo, 1992 in Permana, 2013) in I Gusti et al., Alit et al. and I Made et al. (2014: 3608).

Country of origin is an important marketing element and is known to influence consumer behavior and perceptions. When consumers only have information where the location of a product is produced, then purchasing decisions will be influenced by consumer perceptions of the country according to Sutanto and Winata, (2012) in I Gusti et al., Alit Suryani and I Made et al. (2014 : 3608).

Country of origin is a signal in product attributes that affects consumer evaluation in identifying the origin of a product according to Thakor and Pacheco, (1997) in Erna Listiana (2012: 24). Some of the terms born of the concept of country of origin

are Country of design, country of manufacture, country of assembly, and country of part where all these terms indicate that some global and transnational companies no longer carry out the entire production series in their country . Production lines are carried out in other countries, but still refer to their home country. For example, the design was carried out in Japan, the assembly was done in Indonesia and the components were imported from Japan. In Erna listiana (2012: 25) The following is explained the understanding of each component of the Country of origin (COO):

1. Country of origin (COO) is defined as the country where a product is produced according to (Thakor and Katsanis, 1997, in Pappu et al., 2006), whereas according to Han and Tempra (1988) in Yassin et al., (2007) COO means the country of origin of the company or country is where the brand name originates.
2. Country of manufacture (COM) is a country where products are manufactured or assembled according to (Okechuku and Onyemah, 1999, in Wong et al., 2008; Chao, 1998, in Essoussi and Merunka, 2006).
3. Country Of Design (COD) is the country where products are designed and usually become places where brands are generally associated according to (Chao, 1993, in Insch and McBride, 2004).
4. Country Of Assembly (COA) is a country where most of the final product assembly according to (Chao, 1993, in Insch and McBride; Li et al., 2000, in Insch and McBride, 2004).
5. Country Of Part (COP) is a country where most of the material used in the product is produced, or the country where parts / components of the product are made according to (Tse and Lee, 1993, in Insch and McBride, 2004).

**Perceived Quality**

Perceived Quality is not the actual product quality but the customer's perception of the overall quality or superiority of a product or service according to (Zeithaml, 1988). Aaker (1991) in Erna Listiana (2012: 26) also states that the impression of quality is the customer's perception of the overall quality or superiority of a product or service with regard to the intended purpose. Thus the impression of quality is the customer's assessment of the overall superiority and superiority of the product or service that is different from the actual objective quality. Impression of quality is a core / main part of the consumer-based brand equity framework (Aaker, 1996, and Farquhar, 1989) in Erna Listiana (2012: 26). Impression of quality as a dimension of according brand equity (Aaker, 1991, Kapferer, 1991, Kamakura and Russell, 1991, Martin and Brown, 1991, Feldwick, 1996) in Erna Listiana (2012: 26) rather than as a part of the overall association brands according to (Keller, 1992, Gordon, in Benedetto, and Calantone, 1994) in Erna Listiana (2012: 26).

The perceived quality adds to the brand's value in a number of ways namely to give customers a good reason to buy a brand and allow the brand to distinguish itself from competitors, to set premium prices, and to have strong reasons for brand expansion according to (Aaker, 1991) in Erna Listiana ( 2012: 26). Marketers in all product and service categories increasingly recognize the importance of the impression of quality in brand decisions according to (Morton, 1994, in Yassin et al., 2007) in Erna Listiana (2012: 26). According to Kotler (1991) in Erna Listiana (2012: 26) noted the existence of a close relationship between product quality and service, customer satisfaction, and company profitability. The concept of quality perceived according to Zeithaml (1988) and Steenkamp (1997) in Erna Listiana (2012: 26) classifies it into two groups, namely intrinsic attributes and extrinsic attributes. Furthermore, according to Bernue et al., (2003) in Erna Listiana (2012: 26), both groups felt that these qualities, both intrinsic and extrinsic attributes, were formed by different product attributes.

**Indikator *Perceived Quality***

In studying perceptions there are two important things in Andrew et al. (2013: 4), namely:

1. The absolute threshold, which is the lowest level where a person can feel the sensation or minimum value of a stimulus to be consciously accepted.
2. The different threshold or just noticeable different is the minimum difference that can be detected between two stimuli that appear simultaneously.

**The Effect of Country of Origin on Perceived Quality**

Intrinsic attributes are related to the physical aspects of the product (such as color, taste, aroma, shape, appearance). While extrinsic attributes are related to the product but not in the physical part of the product (such as brand name, quality, price, store, packaging and production information). The impression of product quality according to Garvin (1984) in Erna Listiana (2012: 27) is influenced by seven dimensions of product quality, namely performance, product characteristics, conformity with specifications, reliability, durability, service, and final results. On the other hand for the service category according to Parasuraman, Zeithaml and Berry (1985) in Erna Listiana (2012: 27) states that consumer perceptions of service quality include five dimensions of service quality, namely manifestation, empathy, reliability, responsiveness and assurance. The quality perceived by consumers of a brand is in

accordance with the process of perception of those involved in the decision making process. High perceived quality occurs when consumers recognize brand differentiation and excellence relative to competing brands. This will affect their purchasing decisions and will encourage them to choose brands rather than competing brands. This means that the perception of high quality will influence the choice of customers, which consequently will cause an increase in brand equity. For marketers, perceived high quality can support premium prices, which in turn can create greater profit margins for companies that can be reinvested in brand equity according to (Yoo and Lee, 2000). Aaker (1991) in Erna Listiana (2012: 27) also shows that perception is an association which is usually the center of brand equity.

**Interest in Buying or Purchase Intention**

Interest in buying is obtained from a learning process and thought processes that form a perception. This buying interest creates a motivation that continues to be recorded in his mind and becomes a very strong desire which in the end when a consumer must fulfill their needs which will actualize what is in their mind (Pujadi, 2010) in I Made et al., And I Ketut et al., (2016: 1696).

According to Kotler (2005) in I Gusti et al., Alit et al., And I Made et al., (2014: 3609) revealed that purchase intention is the purpose or intention, and the tendency of consumers to buy the brand they like best. Purchase intention includes several important meanings, namely showing the possibility of consumers willing to consider the purchase of a product, representing the desire of someone to buy in the future, and expressing the decision of a consumer to buy back a company's product according to (Lin and Lu, 2010 sattya, 2013) in I Gusti et al., Alit et al., and I Made et al., (2014: 3609).

**Purchase Interest Indicator**

According to Schiffman and Kanuk (2007) in I Gusti et al., Alit et al., And I Made et al. (2014: 3615) there are five indicators of Purchase Intention are:

1. Interested in looking for information about the product
2. Consider to buy
3. Interested in trying
4. Want to know the product
5. Want to buy a product

**RESEARCH METHODS**

The method used is a quantitative method where according to Wiratna Sujarweni (2015: 39) quantitative method is a method that produces findings that can be achieved (obtained) by using statistical procedures or other ways of quantification. In this case, the use of the associative method is a form using at least two variables that are connected. Associative method with the form of a causal relationship is a study that looks for a causal relationship between an independent variable (free), namely Product Quality (X1) and Country of Origin (X2) with the dependent dependent variable, Perceived Quality (Y) and Purchase Interest (Z).

**Table 2. Variable Operations**

| Variable | Concept Definition | Operational definition | Indicator | Scale Measurement |
|---|---|---|---|---|
| ***Product quality ($X_1$)*** | According to Kotler and Armstrong (2012: 283) in Wahyu et al., Leonardo et al., Maria et al., (2016) Product Quality is: the ability of a product to demonstrate its function, this includes overall durability, reliability, accuracy, ease operation, and repair of products, also other product attributes. One of the main values expected by customers from producers is the highest quality of products and services. | The quality capabilities of Samsung smartphone products which consist of standardizing quality and excess product quality are to give satisfaction to consumers. | Performance<br>Features<br>Reliability<br>Conformance to specifications<br>Durability<br>Serviceability<br>Aesthetics<br>Perceived Quality | Likert |
| ***Country of origin ($X_2$)*** | In I Gusti et al., Alit et al., And I Made et al. (2014: 3608). Countries of origin are all forms of consumer perceptions of products of a | Quality perceptions about the production of Samsung smartphone products that affect consumers | State innovation in production<br>The level of technological advancement in the country of origin | Likert |

| | | | | |
|---|---|---|---|---|
| | particular country based on previous consumer perceptions of the advantages and disadvantages of production and marketing of the country. | in choosing smartphones. | Product design<br>Creativity in production<br>Quality of production<br>Prestige or prestige that is owned by the country of origin of the brand<br>Image of the country of origin of the brand as a developed country. | |
| **Perceived Quality (Y)** | according to (Zeithaml, 1988). Aaker (1991) in Erna Listiana (2012: 26) Perceived Quality is not the actual product quality but the customer's perception of the overall quality or superiority of the product or service. | customer perception of the overall quality or superiority of a product or service is related to the intended purpose. | 1. The absolute threshold<br>2. The different threshold atau just noticeable different | Likert |
| **Buying interest (Z)** | According to Kotler (2005) in I Gusti et al., Alit et al., And I Made et al., (2014: 3609) revealed that purchase intention is the purpose or intention, and the tendency of consumers to buy the brand they like best. | Buying interest Consumers in creating a motivation that continues to be recorded in their minds and become a very strong desire which in the end when a consumer must meet their needs. | 1. Interested in looking for information about the product<br>2. Consider buying<br>3. Interested in trying<br>4. Want to know the product<br>5. Want to buy a product | Likert |

**SEM**

SEM can test together:

1. Structural model: the relationship between independent constructs and dependents.
2. Model measurement: relationship (loading value) between indicators with constructs (latent).

Combined testing structural models with these relationships allows researchers to:

1. Test measuring errors as a part that is not separate from SEM.
2. Performing factor analysis together with hypothesis testing.

using the formative indicator model in CB-SEM will produce an unidentified model which means there is a zero value covariance among several indicators. Theories in CB-SEM analysis play a very important role. The causal relationship of the structural model is built on theory and CB-SEM only wants to confirm whether the model based on the theory is not different from the empirical model. CB-SEM has several limitations including the number of samples that must be large, data must be distributed in a normal multivariate manner, indicators must be reflective, the model must be based on theory, the existence of indetermination. To overcome these limitations, a component-based or variant SEM is called Partial Least Square (PLS).

**PLS-SEM.**

According to Siswoyo et al., And Parwoto et al., (2012: 16) PLS-SEM aims to test predictive relationships between constructs by looking at whether there is a relationship or influence between the constructs. The logical consequence of using PLS-SEM is that testing can be done without a strong theoretical basis, ignoring some (non-parametric) assumptions and the accuracy parameters of the prediction model seen from the coefficient of determination ($R^2$). PLS-SEM is very suitable for use in research that aims to develop theory.

**Analysis techniques of SEM.**

Data were analyzed using the AMOS SEM (Structural Equation Modeling) program. 18 to provide a clear picture of the relationship between research constructs. The structural equation model of AMOS is used to obtain fit model indicators. The measurement used in testing each hypothesis one to five is the value of CR (Critical Ratio) on Regression Weights with a minimum value of two in absolute terms. Stating that the use of SEM consists of 7 stages of the process, namely:

1. Developing a model based on theory.
2. Form a path diagram of a causal relationship.
3. Changing the path diagram into structural equations and measurement models.
4. Selecting the type of input matrix and estimation model proposed.
5. Assessing identification of structural models.
6. Evaluating the Goodness-of Fit criteria.
7. Model interpretation and modification.

**Hypothesis testing**

**Evaluation of the goodness-of-fit index**

There are several criteria that can be used to see a model that is accepted or rejected, namely:

a. Chi-square statistic (X2) to measure overall fit. A good or satisfying model if the value of X2 is low. The smaller the value of X2 the better the model is.
b. Significance Probability (p) to test the significance level of the model
c. The minimum sample discrepancy function (CMIN) is divided by the degree of freedom which results in the CMIN / DF index. This index is also called relative X2 because it is a statistical Chi-square value divided by its degree of freedom. A good relative X2 value is less than 2.0 or even less than 3.0 which is an indication of the acceptable fit between the model and data. Comparative Fit Index (CFI), with an index amount between 0.1. Getting closer to 1 will show a higher level of fit. The recommended value is CFI> 0.95.
d. The root mean square error of approximation (RMSEA) is an index that can be used to compensate for the chi-square statistics in large samples. The received value ranges from 0.05-0.08. Tucher Lewis Index (TLI) that compares the model tested with the baseline model. The recommended value is the same or> 0.95 and the value close to 1 indicates the very good fit.
e. Goodness-of-fit Index (GFI). The criteria used are 0 (poor fit) up to 1 (better fit). Values close to 1 indicate a better level of conformity.
f. Adjusted Goodness-of-fit Index (AGFI), AGFI is an extension of GFI with a value adjusted to the degree of freedom. AGFI is accepted if the value is greater or equal to 0.9.

The following table illustrates a summary of indices that can be used to test the feasibility of a model, as shown in the following table:

**Table 2. Goodness-of Fit Indices**

| *Goodness-of-Fit Index* | *Cut-of-Value* |
|---|---|
| *Chi-square* | Expected to be small |
| *Significance Probability* | ≥ 0,05 |
| CMIN / DF | ≤ 2,00 |
| CFI | ≥ 0,95 |
| RMSEA | ≤ 0,08 |
| TLI | ≥ 0,95 |
| GFI | ≥ 0,90 |
| AGFI | ≥ 0,90 |

Sources : Ferdinand (2006)

Evaluation of regression weight to test the causality relationship in the model developed.

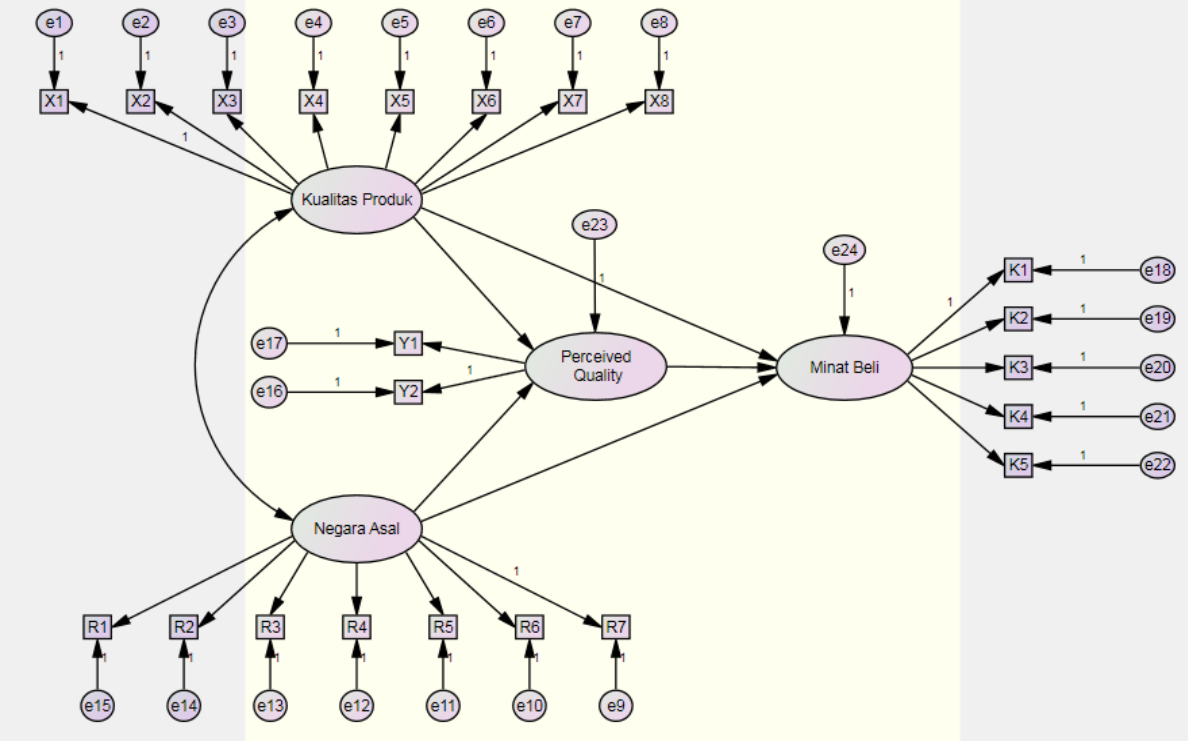



**Figure 1. Full Structural Model**

## RESULTS AND DISCUSSION

**Model measurement test**

The measurement model test is testing the relationship between indicators and latent variables. The combined testing of structural models and measurements allows researchers to test measurement error as an inseparable part of SEM and conduct factor analysis together with hypothesis testing. (Bollen, 1989). In the measurement model test, the Chi-square result is 256.465, Degrees of freedom is 203 and the Probability level is 0.007.

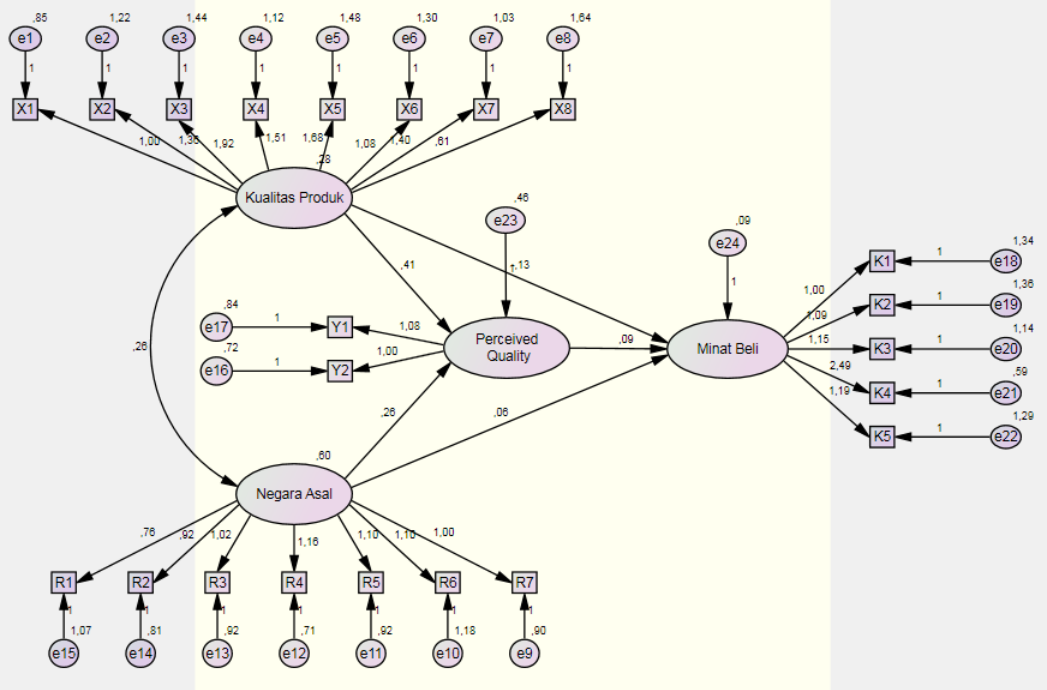
**Table 3. Measurement Model**

| Result (Default model) |
|---|
| Minimum was achieved |
| Chi-square = 256,465 |
| Degrees of freedom = 203 |
| Probability level = 0,007 |
| CMIN/DF = 1,263 |
| GFI = 0,823 |
| NFI = 0,599 |
| RFI = 0,543 |
| RMSEA = 0,053 |
| AIC = 356,465 |
| ECVI =3,752 |
| Hoelter = 88 |

*Source: Data processed, 2017*

**Structural Test**

The structural model is the relationship between latent variables (variables that cannot be measured directly and require several indicators to measure them) independent and dependent (Bollen, 1989). The results of the structural model test are below:




*Source: Data processed, 2017*

**Figure 2. SEM structure**

The structural model shows the most influential value is the Product Quality of the Perceived Quality of 0.41. The table above shows that the values of CMIN / DF and RMSEA match the criteria. Although the values of CFI, TLI, GFI and AGFI are at marginal value, according to Hair et al (1998: 623), the value of CFI, TLI GFI, and AGFI is close to the recommended value, so the model is still feasible to continue. This means that the model is quite fit and feasible to use.

**Hypothesis Testing Results**

**Table 4. Test of Regression Weights**

| | | | Estimate | S.E. | C.R. | P | Label |
|---|---|---|---|---|---|---|---|
| Perceived_ Quality | <--- | Product quality | ,408 | ,305 | 1,339 | ,181 | |
| Perceived_ Quality | <--- | Country of origin | ,264 | ,198 | 1,338 | ,181 | |
| Buying interest | <--- | Country of origin | ,065 | ,095 | ,679 | ,497 | |
| Buying interest | <--- | Product quality | -,127 | ,154 | -,824 | ,410 | |
| Buying interest | <--- | Perceived_ Quality | ,087 | ,099 | ,878 | ,380 | |
| X1 | <--- | Product quality | 1,000 | | | | |
| X2 | <--- | Product quality | 1,358 | ,371 | 3,662 | *** | |
| X3 | <--- | Product quality | 1,923 | ,479 | 4,016 | *** | |
| X4 | <--- | Product quality | 1,507 | ,389 | 3,870 | *** | |
| X5 | <--- | Product quality | 1,677 | ,438 | 3,830 | *** | |
| X6 | <--- | Product quality | 1,082 | ,334 | 3,235 | ,001 | |
| X7 | <--- | Product quality | 1,398 | ,365 | 3,829 | *** | |
| X8 | <--- | Product quality | ,607 | ,304 | 1,994 | ,046 | |
| R7 | <--- | Country of origin | 1,000 | | | | |
| R6 | <--- | Country of origin | 1,103 | ,222 | 4,971 | *** | |
| R5 | <--- | Country of origin | 1,100 | ,210 | 5,250 | *** | |
| R4 | <--- | Country of origin | 1,157 | ,206 | 5,614 | *** | |
| R3 | <--- | Country of origin | 1,024 | ,201 | 5,089 | *** | |

| | | | Estimate | S.E. | C.R. | P | Label |
|---|---|---|---|---|---|---|---|
| R2 | <--- | Country of origin | ,919 | ,184 | 4,983 | *** | |
| R1 | <--- | Country of origin | ,760 | ,184 | 4,134 | *** | |
| Y2 | <--- | Perceived_ Quality | 1,000 | | | | |
| Y1 | <--- | Perceived_ Quality | 1,079 | ,362 | 2,981 | ,003 | |
| K1 | <--- | Buying interest | 1,000 | | | | |
| K2 | <--- | Buying interest | 1,089 | ,743 | 1,465 | ,143 | |
| K3 | <--- | Buying interest | 1,154 | ,743 | 1,553 | ,120 | |
| K4 | <--- | Buying interest | 2,488 | 1,594 | 1,561 | ,119 | |
| K5 | <--- | Buying interest | 1,190 | ,774 | 1,537 | ,124 | |

*Source: Data processed, 2017*

**Table 5. Standardized Regression Weights Test**

| | | | Estimate |
|---|---|---|---|
| Perceived_ Quality | <--- | Product quality | ,279 |
| Perceived_ Quality | <--- | Country of origin | ,265 |
| Buying interest | <--- | Country of origin | ,159 |
| Buying interest | <--- | Product quality | -,213 |
| Buying interest | <--- | Perceived_ Quality | ,214 |
| X1 | <--- | Product quality | ,497 |
| X2 | <--- | Product quality | ,545 |
| X3 | <--- | Product quality | ,648 |
| X4 | <--- | Product quality | ,602 |
| X5 | <--- | Product quality | ,590 |
| X6 | <--- | Product quality | ,449 |
| X7 | <--- | Product quality | ,590 |
| X8 | <--- | Product quality | ,244 |
| R7 | <--- | Country of origin | ,633 |
| R6 | <--- | Country of origin | ,620 |
| R5 | <--- | Country of origin | ,666 |
| R4 | <--- | Country of origin | ,730 |
| R3 | <--- | Country of origin | ,639 |
| R2 | <--- | Country of origin | ,622 |
| R1 | <--- | Country of origin | ,497 |
| Y2 | <--- | Perceived_ Quality | ,675 |
| Y1 | <--- | Perceived_ Quality | ,674 |
| K1 | <--- | Buying interest | ,262 |
| K2 | <--- | Buying interest | ,282 |
| K3 | <--- | Buying interest | ,322 |
| K4 | <--- | Buying interest | ,714 |

| | | | Estimate |
|---|---|---|---|
| K5 | <--- | Buying interest | ,314 |

*Source: Data processed, 2017*

1. Based on the results of testing the hypothesis, it can be seen that the influence between product quality on the Perceived Quality there is an Estimate value of 0.408 (p = 0.181> 0.05) then Ho is accepted and Ha is rejected, meaning there is no positive influence between Product Quality and Perceived Quality.
2. Based on the results of the study it is known that the Country of Origin Effect on the Perceived Quality has a large Estimate value of 0.264 (p = 0.181> 0.05) then Ho is accepted and Ha is rejected, this means that there is no positive influence between the Country of Origin for the Perceived Quality.
3. Based on the results of the study, it is known that the Country of Origin Effect on the Purchase Interest there is an Estimate value of 0.065 (p = 0.497> 0.05) then Ho is accepted and Ha is rejected, it means that there is no positive influence between the Country of Origin to Buying Interest. Based on the results of the study, it is known that the influence of Product Quality on Buying Interests has an Estimate value of -0.127 (p = 0.410> 0.05) then Ho is accepted and Ha is rejected, meaning that there is no positive effect between Product Quality and Purchase Interest.

Based on the results of the study, it is known that the influence of Perceived Quality on Buying Interests has an Estimate value of 0.087 (p = 0.380> 0.05) then Ho is accepted and Ha is rejected, meaning that there is no positive influence between Perceived Quality and Purchase Interest. From the results of the significance tests it has been proven that there is no real relationship. However, if viewed from the Standardized Regression Weights.

Test, the numbers in the estimate column indicate the factor loadings of each indicator, there is a related construct. Correlation of Product Quality to Perceived Quality (0.279 <0.5), Country of Origin Correlation to Perceived Quality (0.265 <0.5), Country of Origin Correlation to Buying Interests (0.159 <0.5), Correlation of Product Quality to Purchasing Interests (-0.213 <0.5), Chronic Perceived Quality to Purchase Interests (0.214 <0.5), meaning there is no close correlation between Product Quality and country of origin and Perceived Qualiti for Buying Interests.
Testing using the SEM model is done in stages. If no fit model has been obtained, the model that was originally proposed needs to be revised. The need for revision of the SEM model arises from the problems that arise from the analysis. The problem that might arise is the problem of the inability of the model developed to produce unique estimates. If these problems arise in SEM analysis, it indicates that the research does not support the structural model that was formed. Thus the model needs to be revised by developing existing theories to form new models. The goodness-of-fit criteria described on page 40 were previously stated by Siswoyo et al., And Parwoto et al., (2012).

**Table 6. Correlation Test**
**Covariances: (Group number 1 - Default model)**

| | | | Estimate | S.E. | C.R. | P | Label |
|---|---|---|---|---|---|---|---|
| Product quality | <--> | Country of origin | ,255 | ,084 | 3,043 | ,002 | |

*Source: Data processed, 2017*

**Correlations: (Group number 1 - Default model)**

| | | | Estimate |
|---|---|---|---|
| Product quality | <--> | Country of origin | ,619 |

*Source: Data processed, 2017*

Covariance is the relationship of two variables that are two-way (different from regression weights that are unidirectional). In the model there is only one covariance, namely the relationship of two exogenous variables on Product Quality with the Country of Origin. The relationship has a p number of 0.002. Because the number is below 0.05, Ho is rejected and Ha is accepted, this means that there is a real relationship between the Quality of the Product and the Country of Origin. After it has been proven that there is a further relationship the correlation number of the two variants (0.619) leads to the relationship

between Product Quality and Country of Origin is quite close and the direction of the positive relationship, because there is no negative sign at the number 0.619. Thus, the relationship between them is in the same direction, the higher the quality of the product, the more developed the country of origin and vice versa. Analysis of the results of data processing at the full stage of the SEM model was carried out by conducting a suitability test and statistical test. The goodness-of-fit model test results are explained in table 7

**Table 7. Test Results of Goodness-of-fit models**

| No | Index | Critical Value | Result | Model Evaluation |
|---|---|---|---|---|
| 1 | *Chi-Square* | Close to zero | 256,465 | Good |
| 2 | *Probability level* | ≥ 0,05 | 0,007 | Bad |
| 3 | CMIN/DF | ≤ 2,00 | 1,263 | Good |
| 4 | CFI | ≥ 0,95 | 0,869 | Marginal |
| 5 | RMSEA | ≤ 0,08 | 0,053 | Good |
| 6 | TLI | ≥ 0,95 | 0,851 | Marginal |
| 7 | GFI | ≥ 0,90 | 0,823 | Marginal |
| 8 | AGFI | ≥ 0,90 | 0,779 | Marginal |

*Source: Data processed, 2017*

**Chi Square**

Chi square testing is intended to find out the differences between populations estimated by the samples studied. So that, there is no difference between the population and the sample. This is indicated by the low chi square value and not significant. The results of the chi square calculation are 256.465 with significance probability 0.007, meaning that the model is quite fit and feasible to use.

**CMIN/DF**

CMIN/ The expected DF so that the model can be accepted are ≤ 2.00. The CMIN / DF value generated from the calculation is 1,263. The result is good, because it has fulfilled the provisions smaller than 2.00.

**CFI**

CFI which is expected so that the model can be accepted is ≥ 0.95. The CFI value generated from the calculation is 0.869. The result is marginal, because the value is almost close to 0.95.

**RMSEA (*The Root Mean Square Error of Approximation*)**

The expected RMSEA results so that the model can be accepted are ≤ 0.08. The RMSEA value generated from the calculation is 0.053, the result is considered good, because it meets the requirements smaller or equal to 0.08.

**TLI (*Tucker Lewis Index*)**

The expected value is TLI ≥ 0.95. The calculation results show that TLI is 0.851. These results are marginal because the value is almost close to 0.95.

**GFI (*Goodness of Fit Index*)**

The expected GFI is ≥ 0.90. The calculation results show that the GFI value is 0.823. These results are marginal because the value is almost close to 0.90.

**AGFI (Adjusted Goodness of Fit Index)**

AGFI can justify index fit of df that is available to test whether the model is accepted or not. The expected result is ≥ 0.90. While the calculation results show that the AGFI value of 0.779 is marginal because it is almost close to 0.90.

These results indicate that the model used is acceptable. The CMIN / DF value is 1,263 which shows a good structural equation model. The RSMEA measurement index is in the range of expected values, namely ≤ 0.08 which is 0.053 good because below 1. Chi-square, good because the CMIN results of the Default model 256.465 exist between CMIN Saturated 0 and CMIN Independence models 639,214 and despite probability levels, CFI, TLI is received marginal. From several model feasibility tests, the model is said to be feasible if at least one method of feasibility testing model is fulfilled According to Hair et al, 1998 in Siswoyo et al., And Parwoto et al., (2012). In an empirical study, a researcher is not required to fulfill all the criteria of goodness of fit, but depends on the judgment of each researcher. The Chi-Square value in this study was 256,465. According to Joreskog and Sobron in Siswoyo et al., And Parwoto et al., (2012) said that Chi-Square cannot be used as the only measure of the overall suitability of the model, one reason is because chi-square is sensitive to sample size. When the sample size increases, the chi-square value will increase as well and lead to rejection of the model even though the value of the difference between the sample covariance matrix and the model covariance matrix has been minimal or small. Chi square is also closely related to the degree of freedom value, if the degree of freedom is greater, it will affect the value of Chi Square. The degree of freedom in a large study was 203, so it does not affect the chi square value. From the results of the model output in Table 4.23 for the model suitability test criteria, several criteria are at the marginal value. Marginal value is the condition of the suitability of the

measurement model below the absolute fit and incremental fit criteria, but this can still be continued in further analysis because it is close to the good fit criteria (Seguro, 2008 in Fitriyana et al, 2013).

**CONCLUSION**

The conclusion that can be drawn from the empirical study above, namely Product Quality (X1) does not affect the Perceived Quality (Y) of Samsung Smartphones in Bandar Lampung. Country of Origin (X2) does not affect the Perceived Quality (Y) of Samsung Smartphones in Bandar Lampung. Country of Origin (X2) does not affect the Buying Interest (Z) of Samsung Smartphones in Bandar Lampung. Product Quality (X1) does not affect the Buying Interest (Z) of Samsung Smartphones in Bandar Lampung. Perceived Quality (Y) does not affect the Buying Interest (Z) of Samsung Smartphones in Bandar Lampung.

**SUGGESTION**

Based on the results of data processing that has been done, then in an effort to increase the interest in buying Samsung smartphones in Bandar Lampung, the first suggestion is given that there is no influence from the Product Quality factor to the Samsung Smartphone Perceived Quality in Bandar Lampung; about performance, features, reliability, conformance to specifications, durability, serviceability, aesthetics and quality perceived (perceived quality) to influence the Perceived Quality to influence consumers to be interested in buying. The second suggestion is that there is no influence from the Country of Origin on the Perceived Quality of Samsung Smartphones in Bandar Lampung, so the Country of Origin will be among others the country's innovation in production, the level of technological progress of the country of origin, Product design, Production creativity, Production quality, Prestige or the prestige of the country of origin of the brand, and the image of the country of origin of the brand as a developed country in order to influence the perceived quality to influence consumers interested in buying. The third suggestion is that there is no influence from the Perceived Quality factor on the Purchase Interest of Samsung Smartphones in Bandar Lampung, so the company improves the reputation of Samsung Smartphone brands seen from the results of the lowest Perceived Quality questionnaire due to good quality perceptions affecting consumers to buy Samsung Smartphones.

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