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## THE ANALYSIS OF MODERATING MARKETING STRATEGY AS OF AI, BRAND IMAGE & PRODUCT QUALITY ON IPHONE PURCHASING DECISIONS

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**Abstract.** Amidst the deindustrialization phenomenon in Indonesia and Inspired by the success story of Apple Inc., which is now also facing challenges in the VUCA era, this study examines the influence of artificial intelligence (AI) technology, brand image, and product quality, along with their interaction as marketing strategies that moderate consumer purchase decisions for the iPhone. Using a mixed methods approach, quantitative data were analyzed from a sample of 97 iPhone user respondents and also other statistical data from platforms that revealed a significant positive relationship in all tested hypotheses. This research is also supported qualitatively by the analysis of the latest insights from other data such as field facts, literature studies and previous research. Since there is no previous research that simultaneously highlights the important role of comprehensive AI features, premium brand perception, and superior quality implemented with effective marketing strategies in increasing the attractiveness of iPhone purchasing decisions, this research provides a new theoretical contribution to the development of modern marketing management studies and rather has practical implications for management practitioners & entrepreneurs in designing progressive marketing strategies for the industry.

**Keywords:** Artificial Intelligence, Brand Image, Iphone, Marketing Strategy, Product Quality.

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*Abstrak.* Ditengah fenomena deindustrialisasi di Indonesia dan terinspirasi dari kisah sukses Apple Inc. yang kini juga tengah menghadapi tantangan di era VUCA, studi ini meneliti tentang pengaruh teknologi kecerdasan buatan (AI), citra merek, dan kualitas produk, beserta interaksinya sebagai strategi pemasaran yang memoderasi, keputusan pembelian konsumen iPhone. Menggunakan pendekatan metode campuran, data kuantitatif dianalisis dari 97 sampel responden pengguna iPhone dan juga dilengkapi dengan data statistik dari platform lainnya, riset ini mengungkapkan hubungan positif yang signifikan di seluruh hipotesis yang diuji. Penelitian ini juga diperkuat dengan menganalisis secara kualitatif data dan wawasan terbaru dari informasi lainnya seperti fakta lapangan, studi literatur dan penelitian-penelitian sebelumnya. Dengan belum adanya penelitian sebelumnya yang menyoroti secara sekaligus peran penting dari fitur AI yang paripurna, persepsi merek premium, dan kualitas unggul yang diimplementasikan dengan strategi pemasaran yang efektif dalam meningkatkan daya tarik untuk keputusan pembelian iPhone, penelitian ini memberikan kontribusi teoretis baru dalam perkembangan kajian pemasaran modern serta diharap dapat memiliki implikasi praktis bagi para praktisi manajemen dan wirausaha dalam merancang strategi bisnis yang mutakhir demi kemajuan industri.

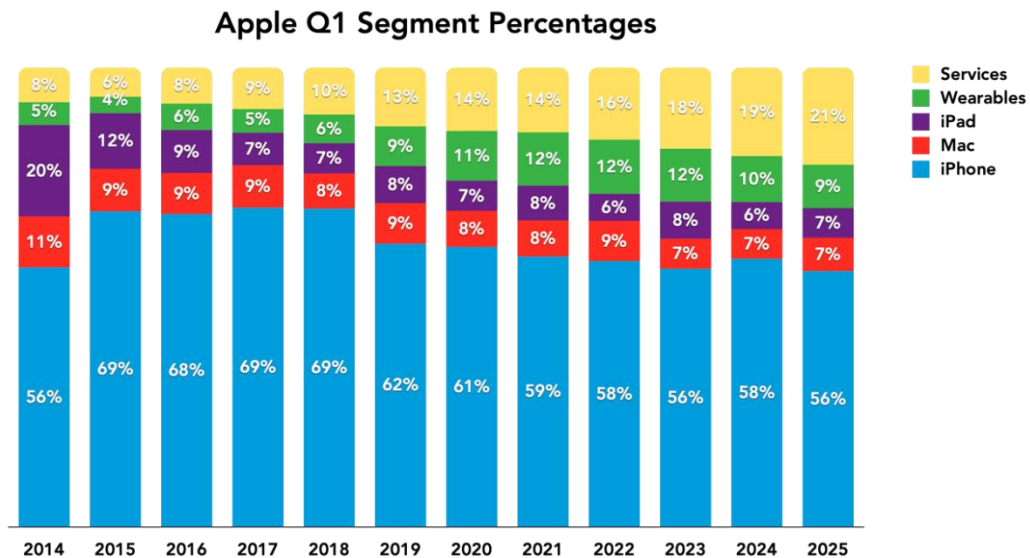
**Kata Kunci:** Citra merek, Iphone, Kecerdasan buatan, kualitas produk, strategi pemasaran.

## INTRODUCTION

Amidst the VUCA era (Volatility, Uncertainty, Complexity, Ambiguity), characterized by the increasingly rapid instability of the world, both physical and asymmetric warfare, and a slowdown in the global economic pace, Apple faces a significant challenge in maintaining its existence as one of the world's largest companies. The development of modern human lifestyles and the innovation of Android products, which have become increasingly widespread in recent periods, could reflect real pressure on the competitiveness and relevance of the Iphone-Apple brand in an increasingly competitive and unpredictable market.

The author believes AI technology, brand image, and product quality as three key assets that Apple's management has continuously reinforced as the cornerstone of the iPhone's marketing strategy over time. In the future, Apple must assess and improve its

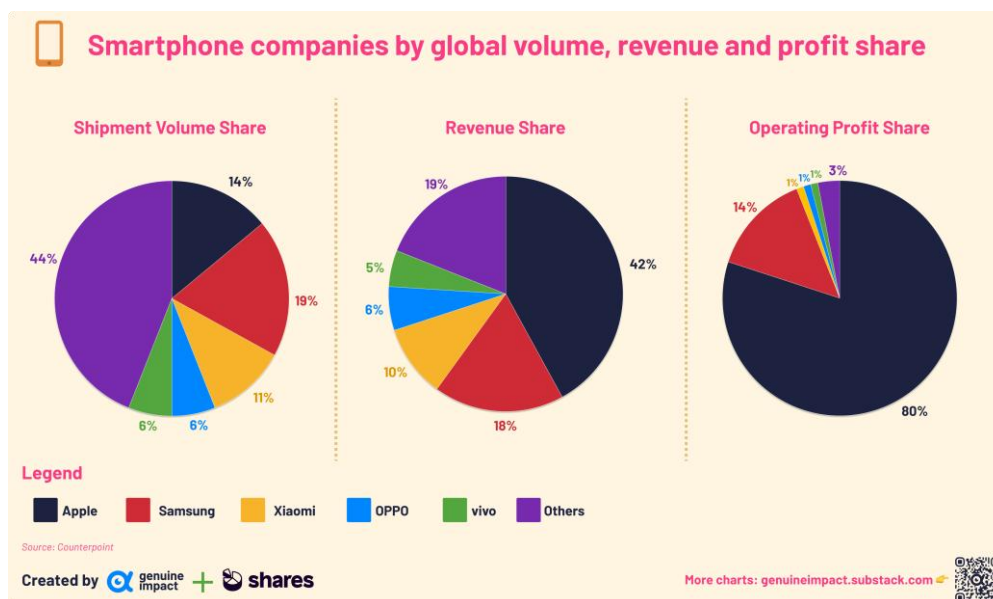
marketing plan management for an uncertain situations like the current one in order to address modern challenges and stay relevant in the face of quickly developing industry disruption. Apple's primary source of income is the iPhone, which has a substantial market share in a sector that is expanding quickly. Since the iPhone is categorized as a 'star' in the BCG (Boston Consulting Group) matrix, management must be extra careful in handling this case.



**(Figure 1.1 Percentage of segment contribution to Apple's revenue per Q1. Source: Tidbids)**

According to Tidbids research data, Apple's sales from iPhones decreased in the first quarter of 2025. This data can be viewed favorably from one angle since it allows Apple to become less reliant on the iPhone. Meanwhile, when it comes to continually keep the iPhone attractive as Apple's main product and biggest source of profits, assessment, innovation, and strategic management tactics are still crucial to analyze.

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**(Figure 1.2. Smartphone company volume and profit 2024. Source: Counterpoint)**

Until October 2024, Statista data indicates that Apple's market share for mobile phones in Indonesia is barely 12%. Considering that the Indonesian market has the potential to be the biggest smartphone market in Southeast Asia, this number is seen as extremely low. The global distribution percentage of iPhones is also still quite low, standing at just 14%, according to another statistic from Counterpoint. This suggests that Apple and iPhones still may have a great chance for making more money from this gap in the global smartphone industry.

From a sales and profitability standpoint, Apple stands the highest, outperforming all of its rivals. This data clearly demonstrates how Apple's effective and efficient management strategy has enabled it to become a global elite company. In some industries, particularly technology, high profit margins are often more crucial than even great market dominance.

Apple's marketing distribution strategy for its products in the region is also unique. At the time of writing, Apple does not have any official physical store in Indonesia. iPhones and other Apple products are conducted online through the official Apple store. Otherwise, iPhones can reach Indonesian consumers only through private importers or distributors such as Erafone, iBox, etc. as physical authorized dealers.

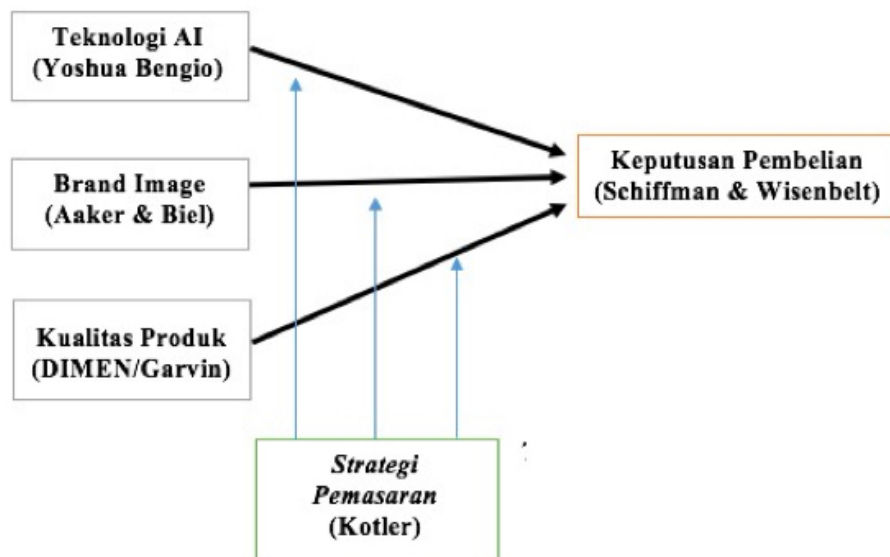
Ultimately, Apple's and the iPhone's success story can serve as a model or standard for a legitimate business plan. Apple constantly appears up against rivals like Microsoft, Alphabet (Google), NVIDIA, Amazon, and Saudi Aramco on the list of the

biggest corporations in the world. With a market value of around US\$4.3 trillion in the end of 2025, Apple is one the largest corporation in the world indeed.

To achieve "Indonesia Emas 2045", Indonesia needs both state-owned enterprises and prosperous, globally renowned private companies to flourish. The strategy used by Apple executives may be taken as the blueprint. It is also intended that this study will provide imagination and new concepts to establish an innovative company model for the industry in Indonesia or anywhere in the world.

## THEORITICAL STUDY

### Manajemen Pemasaran



(Figure 2. Framework Of Thinking. Source: Author)

## Marketing Management

Peter Drucker, a highly influential management philosopher and known as the "father of modern management," had a profound view of marketing. For him, marketing was not simply the activity of selling products, instead its the heart of all business. In his various writings, Drucker emphasized that marketing is about creating customers. His thinking went far beyond simply producing goods or services and then trying to get people to solve them. Marketing involves a deep understanding of customer needs and wants, then creating products or services that meet those needs.

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Drucker argued that customer quality is more important than quantity. Loyal and satisfied customers provide long-term value to a company. Effective marketing is customer-centric. All marketing efforts should be directed toward understanding and meeting customer needs. Drucker's theory is increasingly relevant in today's increasingly customer-focused marketing world.

In conclusion, marketing management continues to evolve as consumers change. Companies that want to stay relevant must also continually adapt to the latest trends and adopt innovative marketing approaches. Concepts such as personalization, customer experience, and sustainability are becoming increasingly important in the future of marketing landscape.

## **Marketing Strategy**

According to Philip Kotler, strategic marketing is the marketing logic which a company can create value for customers and achieve mutually beneficial relationships. Strategic marketing focuses more on long-term planning and high-level decision-making related to marketing. Strategic marketing is the foundation of marketing management. In other words, strategic marketing is the blueprint that guides all of a company's marketing activities to achieve a sustainable competitive advantage.

Kotler developed the strategic marketing theory of STP (Segmenting, Targeting, Positioning). This is a fundamental framework in modern marketing. This framework helps companies identify the most profitable market segments and develop effective marketing strategies to reach and satisfy those segments. Essentially, a deep understanding of consumer behavior is required so that marketing strategies can be more relevant and effective in reaching and satisfying their target market.

An effective marketing strategy is one that can flexibly adapt to changes in the business environment. Companies need to continuously monitor market developments and adjust their strategies accordingly. This way, companies can maintain a competitive advantage and achieve long-term business goals.

## **AI Technology**

Artificial intelligence, which we all know as a sophisticated technology capable of mimicking human intelligence, actually has a very fundamental roots: algebra.

Algebra, a branch of mathematics that studies structures, relations, and quantities, serves as the foundation for the development of algorithms and mathematical models that underlie AI. As an analogy, think of algebra as the alphabet and grammar of human language. By mastering algebra, we can "read" and "write" computer language, enabling us to create intelligent AI programs and systems.

As per Yoshua Bengio, a pioneer in the field of deep learning AI, AI is about teaching computers to learn on their own from data. Imagine teaching a small child to recognize cats by showing them lots of pictures of cats. AI works in much the same way, only on a much larger and more complex scale. So, in essence: AI is like an artificial brain that can learn and develop from experience. The more data it is fed, the smarter the AI becomes.

## **Brand Image**

In the opinion of Aaker and Biel (2009), brand image is a consumer's assessment of a brand in market. This assessment is formed based on consumers' personal experiences with the brand, or information they receive from others or the media. Brand image is the overall picture formed in consumers' minds about a brand. It is a collective perception resulting from various consumer interactions with the brand, both direct and indirect.

Brand image is a concept that has been widely studied by marketing experts. Aaker and Biel (2009) identified three main indicators: corporate image, product image and consumer image. Corporate image encompasses consumer perceptions of the company as a whole, such as its reputation, corporate values, and corporate culture. Meanwhile, product image encompasses consumer perceptions of the products or services offered, such as quality, benefits, and uniqueness. Another equally important supporting indicator is consumer image. User image is consumer perception of the type of person who uses the product. Its components include demographics, lifestyle, personality, and values held by the user.

Kotler (2002) also provides a similar view, he states that brand image is a set of beliefs, ideas and impressions that a person has about a brand. In conclusion, experts agree that brand image is a complex mental construct formed in the minds of consumers. A strong brand image can be a valuable asset for a brand, as it can increase customer loyalty, differentiate the brand from competitors, and enhance overall brand value.

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## Product Quality

David Garvin, a renowned management expert whose theories are often used in product quality analysis, defines product quality as the ability of a product to meet or exceed customer expectations. In Garvin's view, quality extends beyond technical specifications or product features, but also encompasses customers' perceptions of the value they receive from the product. Product quality is another crucial factor in the business world, particularly in competitive industries like smartphones.

Experts worldwide often refer to the DIMEN model developed by David Garvin. The DIMEN model is a comprehensive framework for understanding and measuring product quality. This model identifies eight interrelated dimensions of quality that influence consumer perceptions of a product. The eight dimensions of product quality according to the DIMEN model are:

- 1. Performance:** How well a product performs its primary function. Examples: Processor speed on a laptop, suction power of a vacuum cleaner. Indicators: Speed, efficiency, accuracy in performing the product's primary function.
- 2. Features:** Additional characteristics that differentiate a product from competitors. Examples: Dual camera features on smartphones, eco mode on cars. Indicators: Number of features, usefulness of features, uniqueness of features.
- 3. Reliability:** The probability that a product will function as intended over a specified period. Examples: Engine failure rate in cars, time between failures on laptops. Indicators: Time between failures, failure severity, lifespan.
- 4. Conformance:** The extent to which a product meets established specifications. Examples: Dimensional tolerance levels on electronic components, conformity of raw materials to safety standards. Indicators: Production defect rate, compliance with quality standards.
- 5. Durability :** The lifespan of a product before it needs to be replaced. Examples: Battery life of a laptop, durability of car paint. Indicators: Claimed lifespan, durability test results.
- 6. Ease of Service/After-Sales Service (Serviceability) :** The extent to which a product or service is easy to repair, maintain, or service when damaged or requiring technical support. Serviceability also includes speed, ease of access, availability of spare parts, and the quality of after-sales service provided by the manufacturer or service provider.

7. **Aesthetics** : The visual appearance of a product that is attractive to consumers. Examples: Modern car design, attractive product packaging. Indicators: Design, color, materials, packaging, overall visual appearance.
8. **Perceived Quality** : Consumers' perception of product quality based on the information they have. Examples: Brand, price, country of origin, recommendations from others. Indicators: Brand reputation, consumer perception of product superiority, price paid.

### **Purchasing Decision**

Before choosing to buy a good or service, buyers go through a mental process known as a purchasing decision. This process includes a number of steps, such as identifying needs, gathering information, weighing options, and finally deciding what to buy. In marketing, it is essential to completely understand the decision-making process. Marketers can create successful marketing strategies by recognizing the elements that affect consumer decisions.

In their book, *Consumer Behavior*, Schiffman and Wisenblit offer a comprehensive perspective on how consumers make purchasing decisions. They emphasize that consumer behavior is the study of how individuals make decisions to spend available resources (time, money, effort) on consumption-related goods. The purchasing decision process is not a single event, but rather a series of interrelated stages, influenced by various internal and external factors.

Schiffman and Wisenblit divides the purchasing decision process into three main stages: input, process, and output. The input stage includes all external influences that affect consumers, such as the company's marketing efforts (product, price, promotion, place), sociocultural influences (family, friends, culture), and other information sources. The process stage focuses on the psychological processes that occur within the consumer, including need recognition, information search, evaluation of alternatives, and preference formation. Finally, the output stage includes the actual purchase decision (whether to buy, what to buy, when, where, and how to pay) and ultimately is the post-purchase evaluation. This model emphasizes the dynamic interaction between external and internal factors that shape the consumer's final decision.

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## RESEARCH METHOD

The questionnaire questions were structured based on an initial understanding of the theoretical basis. The established indicators were then measured using questions related to the indicators themselves. This techniques carried out to confirm that the research questionnaire accurately measures the study variables.

The population being studied is iPhone users in Indonesia, this study used a purposive stratified sampling method, a combination of stratified and purposive sampling techniques. Stratified sampling is conducted by dividing the population into strata or subgroups based on specific variables relevant to the study, namely gender, the domicile category and age of the iPhone target market. On the other hand, purposive sampling is also conducted by deliberately selecting individuals who are deemed to meet certain criteria, namely respondents who are actually iPhone users.

This study employed a probabilistic sample technique utilizing the Lemeshow formula because it is impossible to pinpoint the exact number of iPhone users.

$$n = \frac{(Z_1 - a/2)^2 P(1 - P)}{d^2}$$

Where: n = Number of samples, Z = Z score at 95% confidence interval: 1.96, P = Maximum estimate at 50%: 0.5 & d = Sampling error rate: 10%. This formula served as the basis for the distribution of a 97 targeted questionnaire with a Likert scale of 1 to 5. Due to the author's limitations and the fact that urban areas seem to be more appropriate for the iPhone case, the Greater Jakarta area was chosen. Here is the statistical respondent's data:

**Table 1.0 Respondent Data Description Table**

| Criteria      | Kind                                | Total | %     |
|---------------|-------------------------------------|-------|-------|
| Jenis Kelamin | Laki-laki                           | 50    | 52,0% |
|               | Perempuan                           | 47    | 48,0% |
| Kategori Usia | Gen Z (Born 1997 – 2012)            | 30    | 31%   |
|               | Milenial / Gen Y (Born 1981 – 1996) | 30    | 31%   |

|          |                               |          |     |
|----------|-------------------------------|----------|-----|
|          | Gen X (Born 1965 – 1980)      | 30       | 31% |
|          | Baby Boomers (Born 1946–1964) | 17       | 17% |
| Domicile | Jakarta                       | 36 Orang | 38% |
|          | Bogor                         | 19 Orang | 19% |
|          | Depok                         | 17 Orang | 18% |
|          | Tangerang                     | 10 Orang | 10% |
|          | Bekasi                        | 15 Orang | 16% |

## RESULTS AND DISCUSSIONS

### Instrument Validity Test

The questionnaire questions were structured based on an initial understanding of the theoretical basis. The established indicators were then measured using questions related to the indicators themselves. This test was carried out to confirm that the research questionnaire accurately measures the study variables.

First stage in the statistical instrument data test, namely the validity test based on the Pearson product moment theory. Since this study involved 97 respondents, so the r-table value used as the significance limit at a 95% confidence level ( $\alpha = 0.05$ ) was 0.201. Therefore, the r-test or calculated r-value is considered valid if it is  $>0.201$ .

**Table 3.1 Pearson Product Moment Test**

| <i>Pearson Product Moment Validity Test</i> |  |           |            |
|---|--|-----------|------------|
| Variabel                                    | Indikator  | Hasil Uji | Keterangan |
| AI Technology                               | X1.1. How good is the speed of AI Features on iPhone? (Example: Siri, camera, security, faceID, keyboard, etc.)                | 0,622     | Valid      |
|   | X1.2. How accurate are the AI understanding features on the iPhone? (Examples: Siri, camera, security, FaceID, keyboard, etc.) | 0,741     | Valid      |

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|                    |  |       |       |
|--------------------|--|-------|-------|
|                    | X1.3. The iPhone's AI features (as a daily driver) are capable of performing tasks well, making the user experience more personal and efficient. | 0,730 | Valid |
|                    | X1.4. I found the quality produced by the iPhone's AI to be precise and useful.  | 0,655 | Valid |
| Brand Image        | X2.1. How well do you view Apple as a trustworthy global company?  | 0,711 | Valid |
|                    | X2.2. How well does the iPhone reflect premium quality and advanced technology in your perception?   | 0,657 | Valid |
|                    | X2.3. How positively has the iPhone enhanced your social image or lifestyle as a user?   | 0,660 | Valid |
| Product Quality    | X3.1. How satisfied are you with the speed of your iPhone in running features like the camera or apps?   | 0,620 | Valid |
|                    | X3.2. Is your iPhone problem-free and meets your expected quality standards?   | 0,740 | Valid |
|                    | X3.3. How well does your iPhone last with existing repair service access?  | 0,711 | Valid |
|                    | X3.4. How attractive is the iPhone's design, giving it a premium feel?   | 0,685 | Valid |
| Marketing Strategy | Z1.1 How well does the iPhone meet your specific needs as a smartphone user?   | 0,621 | Valid |
|                    | Z1.2 How innovative do you think the new iPhone features (e.g., camera technology or operating system) are?                                      | 0,605 | Valid |
|                    | Z1.3 How much does the price of the iPhone match the quality you get?  | 0,799 | Valid |
|                    | Z1.4 How much did an iPhone advertisement or marketing campaign influence your purchasing decision?  | 0,709 | Valid |
|                    | Z1.5 How easy is it for you to get an iPhone through official stores or other sales channels?  | 0,822 | Valid |

|                   |  |       |       |
|-------------------|--|-------|-------|
| Purchase Decision | Y1.1. How influential do your needs (e.g., work, or entertainment) motivate you to consider purchasing an iPhone?              | 0,841 | Valid |
|                   | Y1.2. How easy is it for you to find information about the iPhone (e.g., through advertisements, reviews, or official stores)? | 0,830 | Valid |
|                   | Y1.3 How attractive is the iPhone compared to other smartphone brands when you consider features and price?                    | 0,755 | Valid |
|                   | Y1.4 How confident are you in choosing iPhone as your final purchasing decision?   | 0,711 | Valid |
|                   | Y1.5 Are you likely to repurchase an iPhone?   | 0.777 | Valid |

Based on the analysis results, all items in this research instrument showed good correlation values with the total score of their constructs. Therefore, it can be concluded that the questionnaire items in this study are valid and suitable for further analysis.

### Realibility Test

A Cronbach's alpha value  $>0.6$  is considered reliable by several experts, such as Sugiyono (2019) and Ghozali (2018). In general, a Cronbach's alpha value above 0.6 indicates that the research instrument or measuring tool has good reliability. Thus, an  $\alpha$  value  $>0.6$  in this study can be declared reliable and suitable for further analysis.

**Table 3.2 Cronbach's Alpha Reliability Test**

| Cronbach's Alpha    |               |           |            |
|---------------------|---------------|-----------|------------|
| Variabel            | Indikator     | Hasil Uji | Keterangan |
| Teknologi AI        | X1.1 s.d X1.4 | 0,687     | Reliable   |
| Brand Image         | X2.1 s.d X2.3 | 0,677     | Reliable   |
| Kualitas Produk     | X1.1 s.d X3.4 | 0,689     | Reliable   |
| Strategi Pemasaran  | Z1.1 s.d Z1.5 | 0,711     | Reliable   |
| Keputusan Pembelian | Y1.1 s.d Y1.5 | 0,715     | Reliable   |

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## Model Fit Test

**Table 3.3 Endogenous Latent R Square Model Test**

| Variabel              | R Square | RSquare Adjusted |
|-----------------------|----------|------------------|
| Purchase Decision (Y) | 0,696    | 0,683            |

In the model fit test, R Square has a range of categories, namely: more than 0.70 - strong; 0.67 to 0.7 - substantial; 0.33 to 0.67 - moderate; less than or equal to 0.19 - weak. Based on the table above, the R Square has a figure of 0.696 included in the substantial category. Therefore, it can be concluded that this research data is fit and has met the requirements for the R model test.

## Hypothesis Test

Finally, to determine whether the hypotheses proposed in this study truly have a significant effect, a statistical analysis was conducted using a one-tailed t-test. This method was chosen because it is able to demonstrate whether there is a strong relationship between the variables studied. In this test, a critical t-value of 1.65 and a significance threshold of  $p < 0.05$  were used, meaning results are considered significant if the probability of error is less than 5%. This is in accordance with general research standards with a 95% confidence level.

The results of this test are displayed in the following table, which provides a comprehensive overview of the influence of each variable. The table helps clearly see which hypotheses were statistically proven correct and which were not, making it easier to understand the main findings of this study.

**Table 3.4 Total Effects Hypothesis Testing**

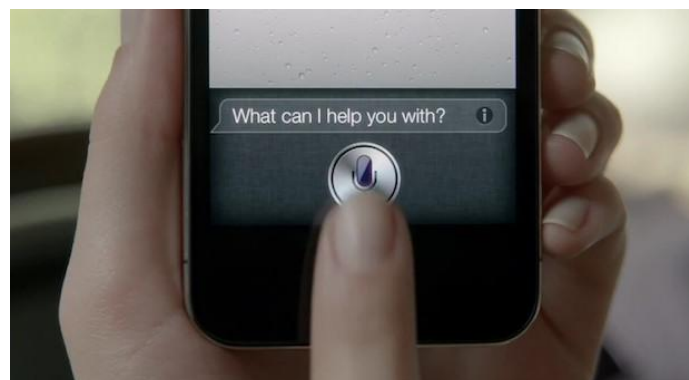
| Variables                                  | Original sample (O) | Standard deviation | T statistics | P values |
|--|---------------------|--------------------|--------------|----------|
| AI Technology (X1) → Purchase Decision (Y) | 0,25                | 0,074              | 3,382        | 0,022    |

|  |       |       |       |       |
|--|-------|-------|-------|-------|
| Brand Image (X2) → Purchase Decision (Y)                         | 0,263 | 0,074 | 3,532 | 0,021 |
| Product Quality (X3) → Purchase Decision (Y)                     | 0,561 | 0,007 | 5,822 | 0,017 |
| Marketing Strategy (Z) → Purchase Decision (Y)                   | 0,260 | 0,077 | 3,382 | 0,023 |
| AI Technology * Marketing Strategy (Z) → Purchase Decision (Y)   | 0,523 | 0,113 | 4,523 | 0,026 |
| Brand Image * Marketing Strategy (Z) → Purchase Decision (Y)     | 0,673 | 0,212 | 3,982 | 0,042 |
| Product Quality * Marketing Strategy (Z) → Purchase Decision (Y) | 0,372 | 0,472 | 3,551 | 0,030 |

## The Findings

### 1. The Influence of AI Technology on Purchasing Decisions

A positive regression coefficient reflects that the greater the benefits of AI technology perceived by consumers, the higher their likelihood of purchasing an iPhone. This aligns with the historical visionary facts that Steve Jobs, Apple and the iPhone are pioneers in integrating AI into smartphones. Consistent with this, Apple and the iPhone are mobile devices that still consider AI as a serious feature to integrate. This is evidenced by the presence of Apple Intelligence in today's modern era.



(Figure 4. 1 iphone 4s advertisement year 2011)

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Since iOS 10, Photos has rather used machine learning to recognize faces, objects, and scenes, enabling photo searches by keywords like "beach," "me," or "birthday." This feature has evolved to support searching for photos and videos based on specific moments, providing a smarter experience than the photo gallery on Android devices, which often lacks accurate context recognition.

The iPhone camera optimization also utilizes AI for features such as Night Mode, Photographic Styles, fast autofocus, macro photography, and ProRaw features, which are also supported by high-quality AI processing, resulting in high-quality photos in any condition, often superior to competitors who sometimes rely on third-party software for similar results. This also creates the impression that AI technology on the iPhone is one step ahead.

Face ID even uses TrueDepth Camera System technology that maps more than 30,000 infrared dots on the face to create a unique three-dimensional model. This accuracy provides a level of security with a chance of error of only 1 in 1 million, much better than 2D facial recognition systems on other devices such as some Android models that are vulnerable to fake photos or masks. This feature was first introduced on the iPhone X (2017) and has been continuously improved to make it adaptive to user needs in various conditions. Face ID supports authentication for Apple Pay, App Store purchases, and third-party applications such as mobile banking, without the need to enter a password. The "Attention Awareness" feature also ensures that the device is only unlocked when the user is looking at it, adding a layer of security that is not common in similar technologies from other vendors, making it ideal for user privacy needs.

## **2. Influence of Brand Image on Purchasing Decisions**

The positive regression coefficient of brand image on purchasing decisions reflects that Apple's strong brand image in the eyes of consumers, further increasing their tendency to purchase an iPhone. This is in line with Apple's perception as a premium brand synonymous with a modern lifestyle, technological innovation, and high social status. In actual context, the Interbrand report (2024) ranked Apple as the most valuable brand in the world with an estimated valuation exceeding USD 400 billion, reflecting the strength of this brand's positive global perception. In Indonesia itself, the status symbol attached to the iPhone is often an important factor in

purchasing decisions. The widespread use of public figures and Key Opinion Leaders (KOLs) on social media also strengthens Apple's brand exposure, especially among the younger generation who are highly influenced by trends and social image.

These findings are consistent with research by the Harvard Business Review (2022), which states that approximately 55% of consumers base their purchasing decisions on brand perceptions. Apple also boasts a customer retention rate above 90% (Consumer Reports, 2024). A consistent brand image as an innovative and reliable brand tends to keep iPhone consumers loyal, especially when considering updates like the recently launched iPhone 16, which can influence impulsive purchasing decisions. Thus, brand image can be categorized as a key and significant variable in influencing iPhone purchasing decisions.

### **3. The Influence of Product Quality on Purchasing Decisions**

The data shows that product quality significantly influences iPhone purchasing decisions. Empirically, Consumer Reports (2024) also states that iPhone user satisfaction reaches 85%, indicating high confidence in the device's quality. Research by J.D. Power (2023) further supports this finding, stating that 65% of smartphone consumers prioritize quality over price. This demonstrates that in an increasingly competitive market, product quality remains a key factor in shaping consumer purchasing decisions.

iPhone product quality, such as durability, design, display, and camera performance, remains a key attraction. Consumer Reports (2024) noted that iPhone user satisfaction reached 85% thanks to camera quality. Apple's product quality is built through a long-standing reputation, with official warranties and reliable technical support. Forbes research (2023) states that 45% of consumers are more likely to purchase if quality is supported by strong marketing evidence. Overall, iPhone product quality, including durability, camera, and reliable performance, significantly influences purchasing decisions.

### **4. The Moderating Influence of Marketing Strategy on the Relationship between AI Technology and Purchasing Decisions**

A Nielsen report (2023) indicates that approximately 50% of a marketing campaign's success depends on the ability to highlight a product's unique features. This can be seen in practice, as Apple consistently launches marketing campaigns that

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emphasize the superiority of its AI technology. The development of AI technology for the iPhone is also based on a keen analysis of consumer needs in modern life.

The positive influence of marketing strategy in strengthening the relationship between artificial intelligence (AI) technology and purchasing decisions can be explained through its role as a mechanism for communicating value and shaping consumer perceptions. In the context of complex technologies such as AI, not all consumers have an intrinsic understanding of the benefits and how these features work. Therefore, marketing strategy serves as a bridge between technological complexity and perceived value (Kotler & Keller, 2016). When a marketing strategy successfully conveys how AI contributes to the personalization, efficiency, and convenience of iPhone use, consumers tend to develop a higher perceived usefulness, as explained in the Technology Acceptance Model (Davis, 1989).

Furthermore, the research data shows that the interaction between AI technology and marketing strategy has a high coefficient that is not only statistically significant but also has a strong moderating effect in the model. This indicates that positive perceptions of AI technology do not develop independently, but are significantly influenced by how companies communicate and position the technology in the minds of consumers. This finding aligns with a study by PwC (2022) which reported that 59% of consumers are willing to pay more for products with AI features if they clearly understand the benefits. This also emphasizes the importance of communication strategy in shaping perceived value. In other words, marketing strategy is not only a tool for promoting a product, but also helps consumers understand and experience the benefits of AI technology, so they are more confident and interested in purchasing the product.

## **5. The Moderating Effect of Marketing Strategy on the Relationship Between Brand Image and Purchase Decisions**

The fifth hypothesis in this study is supported by data indicating that marketing strategy acts as a significant moderating variable in strengthening the relationship between brand image and iPhone purchase decisions. The results of the interaction test show that marketing strategy increases the influence of brand image on purchase decisions, with a regression coefficient of 0.673, a t-statistic of 3.982, and a p-value of 0.042. These values indicate that the interaction between brand image and

marketing strategy is statistically significant at the 95% confidence level, meaning the moderation hypothesis is accepted.

Theoretically, these results are consistent with the concept of Strategic Brand Management proposed by Keller (2009), which emphasizes the importance of integrated marketing communication in strengthening brand perceptions in consumers' minds. A positive brand image reflects consumers' perceptions of a brand's reputation, quality, and symbolic value. However, these perceptions do not always automatically lead to purchase decisions, especially in a competitive market like the smartphone industry. This is where marketing strategy plays a key role: consolidating brand image through consistent, relevant, and emotional communication.

An effective marketing strategy translates Apple's brand values, such as exclusivity, innovation, and prestige, into campaigns that strengthen consumers' psychological bonds with the product. For example, advertisements collaboration with artists like the weeknd, emphasizing a modern lifestyle, narrative user experiences, and support from a loyalist community (the Apple ecosystem) reinforced the positive associations inherent in the brand image. Thus, the interaction between brand image and marketing strategy creates a synergy that drives purchasing decisions more strongly than brand image alone without marketing reinforcement.

This finding aligns with previous research by Keller and Lehmann (2006), which states that a marketing strategy oriented toward a brand's emotional and symbolic value can enhance the effectiveness of brand image in influencing consumer behavior. Therefore, it can be concluded that marketing strategy not only supports achieving brand awareness but also plays a strategic role in converting brand perceptions into actual purchases, particularly in high-tech product categories like the iPhone.

## **6. The Moderating Effect of Marketing Strategy on the Role of Product Quality in Purchasing Decisions**

The sixth hypothesis suggests that marketing strategy has a significant moderating effect on the relationship between product quality and iPhone purchase decisions. The regression analysis results show that the interaction between product quality and marketing strategy has a coefficient of 0.372, with a t-statistic of 3.551 and a p-value

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of 0.030. Since the p-value is below the 0.05 threshold, it can be concluded that this interaction is statistically significant, thus the moderation hypothesis is also accepted.

Marketing strategy plays a crucial role in shaping and affirming consumer perceptions of the quality offered. For example, campaigns featuring durability test results, camera quality under extreme conditions, or user testimonials about device performance will help reinforce the image of expected quality. Research by Forbes (2023) states that 45% of consumers are more likely to purchase if product quality is supported by strong marketing evidence. In real-world situations, independent videos on social media demonstrating the durability of new iPhones, such as in crash tests, have also received millions of responses and likes. This reflects the high consumer exposure to the promoted quality.

This finding is further strengthened by the concept of perceived quality in Keller's (1993) Customer-Based Brand Equity (CBBE) theory, which states that perceived quality is the result of a combination of tangible evidence and marketing communications that successfully elevate that value to the forefront. Therefore, a marketing strategy that emphasizes the functional and emotional advantages of product quality will increase the iPhone's appeal and drive purchasing decisions. Thus, a marketing strategy not only supports feature recognition but also serves as a tool to magnify the effect of product quality on purchase intentions by delivering relevant, credible, and emotionally impactful information to consumers.

## **CONCLUSION AND SUGGESTIONS**

### **Conclusions**

#### **AI Technology Has Been Shown to Significantly Influence iPhone Purchasing Decisions**

Apple and the iPhone's consistent integration of AI technology into their products makes them unique and differentiates them from competitors. Deep AI integration with the Apple ecosystem provides a consistent and contextual experience. AI technology in the iPhone is a key innovation that conveys the iPhone's core philosophical values, delivering a device with a combination of integrated experiences, privacy, and premium performance, making it a best-in-class product.

### **Brand Image Significantly Influences iPhone Purchasing Decisions**

This finding suggests that consumer perception of the brand plays a crucial role in the decision-making process. Apple's image as a premium brand associated with a modern lifestyle, technological innovation, and a symbol of social status has successfully created positive perceptions that significantly drive consumers' decisions to purchase an iPhone.

### **Product Quality Plays a Significant Role in Shaping iPhone Purchasing Decisions**

Elements such as durability, performance, and consistently high-standard design reinforce consumers' positive impressions of the product. Apple's reputation, built through consistent quality and reliable after-sales support, also strengthens market preference. Therefore, product quality remains a key determinant in consumer decision-making amidst the increasingly competitive smartphone industry.

### **Marketing Strategy Play a Significant Moderating Role in Strengthening the Influence of AI Technology on iPhone Purchasing Decisions**

In a complex technological context, marketing serves as a bridge between technical features and consumers' perceived value. A marketing strategy's ability to clearly communicate the benefits of AI increases consumers' perceived usefulness and confidence in the product. Thus, marketing strategy not only broadens consumer understanding but also strengthens the technology's appeal as a strategic purchasing factor.

### **Marketing Strategies Have Been Proven to Strengthen the Influence of Brand Image on iPhone Purchasing Decisions**

Apple's already strong image in the eyes of consumers becomes even more convincing when supported by relevant and emotional marketing campaigns. Through advertisements and narratives that depict a modern lifestyle and the value of exclusivity, marketing strategies help consumers feel more connected, interested, and relevant to the brand. As a result, a positive brand image is not only perceived but also encourages consumers to actually purchase.

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## **Marketing Strategies Play a Crucial Role in Strengthening the Influence of Product Quality on iPhone Purchasing Decisions**

Consumers may be aware of a product's quality, but when that quality is communicated in a more compelling way, for example through campaigns about device durability or user testimonials, their perceptions become more convincing. Marketing strategies help make quality feel more tangible and relevant to everyday life. Therefore, marketing strategies not only convey information but also build consumer confidence to purchase.

### **Suggestions**

Management must keep pushing innovation that is both technological and pertinent to the demands and lives of contemporary consumers in the face of a fiercely competitive and quickly evolving industry. Lessons from the failures of Blackberry and Nokia, who failed to adjust in shifting trends and customer expectations, show that maintaining one's presence and position as a market leader is significantly more difficult than establishing one. As a result, Apple needs to keep enhancing its product distinction by incorporating cutting-edge technology like more individualized AI, more interconnected ecosystem services, and smooth, excellent, and emotionally significant user experiences.

In order to retain customer loyalty and draw in a new generation of consumers in the more competitive VUCA environment, innovation should be visionary and proactive rather than reactive. For components like AI technology, product quality, and brand image to be relevant to actual circumstances and effectively and positively affect the target market's emotions, they must continue to be innovative and supported by a sophisticated marketing plan. Here Apple & Steve Jobs explains how important it is to determine strategic management in forming company values and philosophy that are in accordance with the needs of the target market.

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