

## **The Effect of Hedonic and Utilitarian Value on Brand Trust and Brand Affect as Intervening Variable on iPhone**

**By**

**Asya Azhar Fathina**

School of Economics and Business, Telkom University, Indonesia

**Indrawati**

School of Economics and Business, Telkom University, Indonesia

**Indira Rachmawati**

School of Economics and Business, Telkom University, Indonesia

### **Abstract**

iPhone is one of the most popular smartphone brands in the world. However, in Indonesia iPhone is less- competitive with Android-based brands. This research aims to investigate the influence of hedonic and utilitarian value on brand trust with brand affect as an intervening variable. The research was a descriptive research, a causal study approach to formulate the problems from research questions and use quantitative research. Considering the unknown number of iPhone users definitely, thus using a non-probability sampling with a purposive sampling method obtained a total of 400 iPhone users as respondents who were collected online. Structural Equation Modeling (SEM) was used to analyze the data and processed using the software SmartPLS 3.3 version. The results showed that hedonic value has a significant positive effect on brand affect, utilitarian value has a significant positive effect on brand affect, hedonic value has an indirect effect on brand trust and utilitarian value has an indirect effect on brand trust. This research also obtained an R-Square of as much as 0.424. To increase the brand trust of iPhone users, companies need to increase the user's utilitarian value for new technology adoption that has never been used by other smartphone brands. However, this does not rule out the possibility of further research adding other variables such as self-esteem to determine the effect of user motivation on increasing brand trust. In this research, hedonic value has the most indirect effect on brand trust.

**Keywords:** Hedonic Value, Utilitarian Value, Brand Trust, Brand Affect

### **Introduction**

The phenomenon of smartphone users in Indonesia continues to increase every year, at least 89.2% of the population in Indonesia already use smartphones (Pusparisa, 2020). Based on the Indonesia digital report 2022, mobile connections in Indonesia are equivalent to 133.3% of the total population as indicated by the GSMA intelligence figures (Kemp, 2022). From these data, it means that the smartphone industry competes strictly. One of the best market shares for smartphone brands in the world is Apple with its iPhone products (Needham, 2022), in contrast, in Indonesia, Apple iPhone's market share is less than Android-based smartphone brands (Khoirunnisa, 2022). From IDC Corporate data regarding market share in 2022, in the world, Apple is ranked 1st while in Indonesia it is ranked 5th which can be seen in table 1 market share smartphone brands comparison (Needham, 2022).

**Table 1.** *Market share comparison*

Brand	Worldwide	Brand name	Indonesia
	Market share 2022		Market share 2022
Apple	28.43%	OPPO	21.2%
Samsung	28.19%	Samsung	20.63%
Xiaomi	12.73%	Xiaomi	18.39%
OPPO	5.51%	Vivo	14.84%
Huawei	5.29%	Apple	10.12%
Others	4.29%	Others	7.91%

The cause of the Apple iPhone losing competitiveness with other smartphone brands may be that the technological innovations offered do not match user expectations and high selling prices, such as the features on the iPhone that are already used by competitors at lower prices (Suyudi, 2019).

In viewing a product, consumers are motivated by an interest in product brands, so consumers need to know the usability and performance values of the product, this is called the utilitarian value (Whitthen et al, 2014; Denecli and Tosun, 2015; Lee and Kim, 2018; Indrawati, 2022). Meanwhile, consumers see products only based on cognitive views that involve the emotional self such as self-pleasure when using a product brand, this is called hedonic value (Denecli and Tosun, 2015; Lee and Kim; 2018, Indrawati, 2022) According to Whitten et al. (2014) hedonic in mobile devices comes from social networks, games, and also the fun that users get when communicating with other people through devices.

From these contrasting motivations, associations emerge between users and brands that can influence brand affect and build brand trust (Guan, et al, 2021) when users have positive or negative emotional feelings for a brand, thus users with brand affect who highly perceive that the brand can make them happy and excited and also users will consider this experience to the brand which is called brand trust, (Ramirez, et. al, 2019; Guan, et. al, 2021).

Based on the brand-consumer relationship, in which the brand becomes the link between the consumer and the company, this is referred to as brand trust (Azize et. al, 2012). Brand strengthening to increase market share can be done by companies by exercising brand trust where brands are reliable and according to consumer needs (Azize et al., 2012; Kabadayi and Alan, 2012; Ramirez, Albert, Merunka, 2019). Therefore, this research studies how hedonic and utilitarian values affect brand trust through brand affect.

## Literature Review

### *Hedonic and Utilitarian Value*

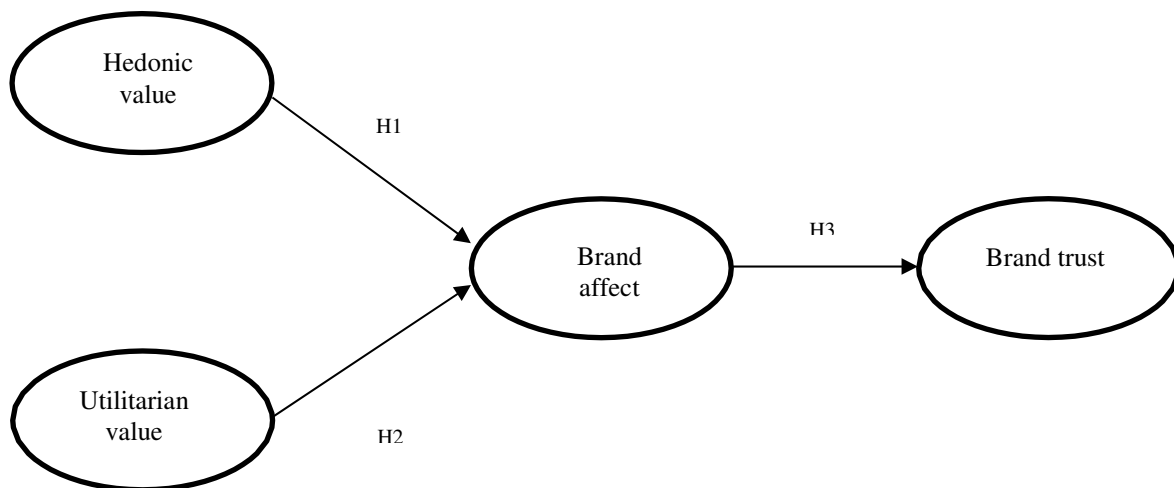
Hedonic value can be defined as a consumer's emotional evaluation of a product experience that is subjective such as feelings of happiness and enjoyment when using a product (Ryu, et al., 2009; Denelci and Tosun, 2015; Lee and Wu, 2017; Lee and Kim, 2018; Indrawati, et al., 2022). In contrast to utilitarian values, consumers will see uses, and functions according to what is needed, such as products that can help fulfill the work needed by consumers, which means that products can solve their problems (Ryu, et al., 2009; Dastan Gecti, 2014; Lee and Kim, 2018). These two values are important because they can associate brands that are differentiators and unique between brands from other brands (Denelci and Tosun, 2015). These two values are important for companies to understand consumer behavior in influencing processes and the user experience of products (Lee and Kim, 2018). Consumers' emotional

experiences from these two values can increase brand influence, namely the existence of a brand-consumer relationship called brand affect (Upamanyu, et al., 2015). Consumer evaluation of the relationship with the brand is a consumer experience that is formed from hedonic conditions such as enjoyment and affective and also utilitarian conditions such as usefulness and functionality Amjad and Elsamem (2016). Similarly, according to the research results of Kadabayi and Alan (2012), it is important for companies that consumer experience can improve brand affect, so companies can create unique experiences between consumers and brands. Hedonic and utilitarian can influence brand affect (Chaudhuri and Holdbrook, 2001). From the discussion above, the hypothesis can be drawn:

**H1:** Hedonic value positively influences brand affect. **H2:** Utilitarian value positively influences brand affect.

### ***Brand Affect and Brand Trust***

Brands can influence consumer actions, which serve as a driving force for developing relationships between brands and consumers (Nobi et al., 2021) positive feelings such as pleasant feelings from consumers towards brands can influence consumers to learn more deeply about a brand which can create a brand trust (Sung et al. al., 2009; Chen Yu et al., 2016). Brand affect arises when consumers feel emotionally satisfied when positive emotions from consumers will increase trust, whereas negative emotions will reduce trust in the brand (Kadabayi and Alan; Guan et al., 2021). Emotional satisfaction such as a consumer's sense of happiness and excitement can increase brand affect (Ramziez et al, 2019) and the relationship between consumers and brands based on bonds that exist based on consumer experience (Upamanyu, et al., 2015) It should be noted that when consumers already have a strong relationship with a brand, companies need to pay attention to consumer desires (Nobi et al., 2021). In addition, trust is important for consumers toward brands (Ercis, et al., 2012). Consumer expectations of reliability are consistent with the company's consistency in fulfilling promises to consumers (Azize et al., 2012; Denecli and Tosun, 2015); Ramirez et al., 2019). Brand affect and brand trust can offer an understanding to build a brand in a cognitive and affective view (Guan et al., 2021) as well as Ramirez et al., (2019) that a brand that can create a pleasant experience for consumers is considered a brand that can be trusted. Brand affect and brand trust are two important constructs in measuring the relationship between consumers and brands because the results of positive consumer emotional responses create an atmosphere that forms brand affect and brand trust (Ong, et al., 2015). In addition, brand affect and brand trust have a role in consumer behavior because brands can be influenced by consumer experiences (Dastan and Getci, 2014). From this discussion, the hypothesis is formulated:



**H3:** Brand affect positively influences brand trust.

**Figure 1.** *Structural Model*

## Research Method

The research was a descriptive research, a causal study approach to formulate the problems from research questions and use quantitative research. Considering the unknown number of iPhone users definitely, thus using non-probability sampling with a purposive sampling method and used the Bernoulli formula (Hikmawati, 2017) which obtained a total of 400 iPhone users as respondents who were collected online. The measurement scale uses a Likert scale (1 strongly disagree to 5 strongly agree). with a significant level of 5% or 0.05 (one-tailed test). The characteristics of the respondents are in table 3 in the discussion section.

## Findings and Discussion

Structural Equation Modeling (SEM) was used to analyze the data and processed using the software SmartPLS 3.3 version. In data processing, partial least squares are used to test validity and reliability by looking at convergent validity values using factor loading (FL) where indicators with a minimum FL value of 0.6 are declared valid, while reliability is by looking at Cronbach Alpha (CA) values with a minimum CA value of 0.70, as well as Composite Reliability (CR) with a minimum value of 0.70 and the average (AVE) value must be more than 0.5, and also discriminant validity using Heterotrait-Monotrait (HTMT) ratio (Indrawati, 2015; Hanseler et al, 2015; Hamidet al, 2017).

**Table 2.** *FL, CA, CR, and AVE results*

Laten variable	Item Codes	FL	CA	CR	AVE
Hedonic value	HV1	0.812	0.908	0.926	0.611
	HV2	0.807			
	HV3	0.806			
	HV4	0.838			
	HV5	0.811			
Utilitarian value	UV1	0.921	0.977	0.980	0.763
	UV2	0.907			
	UV3	0.897			
	UV4	0.880			

	UV5	0.858				
Brand affect - true affect	BA1	0.804	0.865	0.909	0.714	
	BA2	0.829				
	BA3	0.850				
	BA4	0.725				
Brand affect - Due affect	BA5	0.760	0.840	0.893	0.676	
	BA6	0.849				
	BA7	0.718				
	BA8	0.703				
Brand trust - quality trust	BT1	0.901	0.949	0.961	0.831	
	BT2	0.861				
	BT3	0.925				
	BT4	0.905				
	BT5	0.802				
Brand trust - capability trust	BT6	0.768	0.921	0.942	0.765	
	BT7	0.954				
	BT8	0.954				
	BT9	0.776				
	BT10	0.796				
Brand trust - benevolence trust	BT11	0.782	0.942	0.956	0.814	
	BT12	0.825				
	BT13	0.950				
	BT14	0.948				
	BT15	0.913				
	HV4	0.838				
	HV5	0.811				
	Utilitarian value (Indrawati et al., 2022)	UV1	0.921	0.977	0.980	0.763
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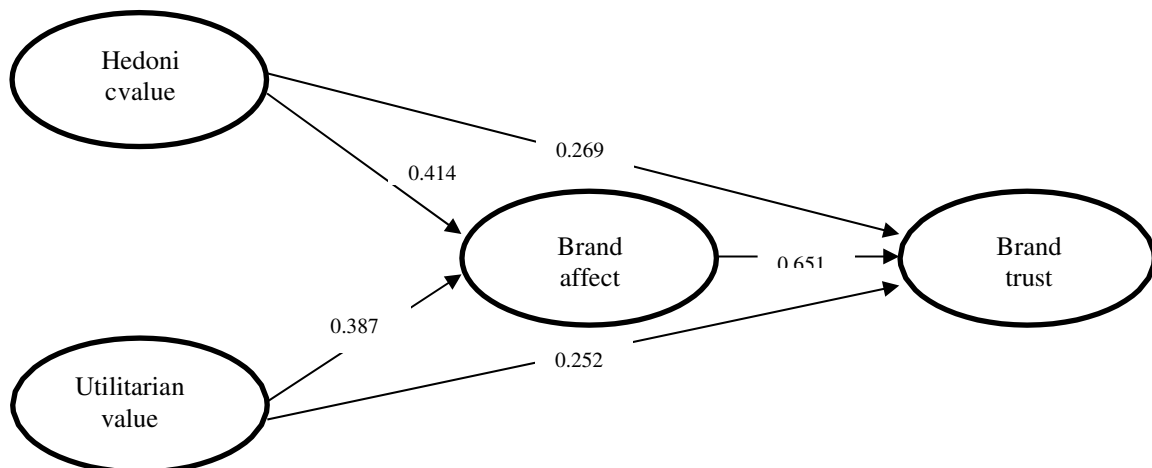
Notes: FL = Factor Loading; CA = Cronbach's alpha; CR = Composite reliability; AVE = Average Based on table 2, the evaluation of the validity and reliability measurement model is in very good condition. The results of convergent validity values are FL above 0.6 and AVE above 0.5. Meanwhile, the discriminant validity value is CA and CR above 0.70.

**Table 3. HTMT (Heterotrait-Monotrait Ratio) results.**

	Hedonic Value	Utilitarian Value	Brand Affect	Brand Trust
Hedonic Value	<b>0.815</b>			
Utilitarian Value	0.554	<b>0.893</b>		
Brand Affect	0.628	0.616	<b>0.782</b>	
Brand Trust	0.409	0.439	0.651	<b>0.874</b>

**Table 4. Respondents characteristics**

Description	Percentage	
Gender	Male	35.75%
	Female	64.25%
Age	18 - 25 years old	10.25%
	26 - 30 years old	58.75%
	31 - 40 years old	18.25%
	41 - 50 years old	12.5%
Income	Rp5.000.000 - 14.999.999	18.75%
	Rp15.000.000 - 29.999.999	51.25%
	> Rp.30.000.000	30%



**Figure 2.** *Structural Model Results.*

Furthermore, data processing is structural model evaluation. By using the bootstrapping technique to assess structural paths, 500 sub-samples were used to test the hypothesis. All supported hypotheses show significant results from the bootstrapping results in figure 2 and table 5. The first hypothesis found significant results, namely, the hedonic value is a significantly positive effect on brand affect with a coefficient of 0.651 and a T-value of 14.873. This finding is supported by the theory of Chaudhuri and Holbrook (2001), namely hedonic value as a motivation for consumer behavior to fulfill one's self-pleasure towards a product. It can be indicated that the group of iPhone users who use smartphones only to fulfill their pleasure in owning an iPhone will bring up positive emotions about the product which can affect the strength of the Apple iPhone brand.

For the second hypothesis, the effect of utilitarian value on brand affect, the results were found to be positive and significant, namely the coefficient of 0.414 and the T-statistic of 9.760. These results are relevant to previous research, namely research from Dastan and Gecti (2014) which states that utilitarian value as motivation in consumer behavior by looking at the functionality of a product that can support the user's job needs will generate positive emotions in building brand affect. This shows that the iPhone user group by seeing the usability value and function of the smartphone will increase brand affect.

The third hypothesis, namely the effect of brand affect on brand trust, found significant positive results with a coefficient value of 0.387 with a T-statistics value of 9.871. These results are supported by previous research in the work of Ramirez et al (2019) that brand affect has a significant influence on brand trust. This means that the Apple iPhone brand has brand strength that is formed from honest emotions from iPhone users to influence brand trust that the iPhone can be a smartphone product that can be relied upon according to consumer expectations.

If you look at figure 2, there is a direct influence between latent variables, hedonic value has a direct effect on brand trust of 0.269 and utilitarian value has a direct effect on brand trust of 0.252. From the results of direct influence, an intervening variable is needed, namely brand affect to increase the result of the indirect influence of hedonic and utilitarian values on brand trust. This is supported by previous research, that brand affect greatly influences brand trust in products or companies (Dastan and Gecti, 2014; Upamanyu et al, 2015; Ramirez et al, 2019).

**Table 5.** *Hypothesis results.*

Hypothesis	Relationship	Coefficient	T-statistics	P-Value	R2
H1	HV -> BA	0.651	14.873	0.000*	
H2	UV -> BA	0.414	9.760	0.000*	
H3	BA -> BT	0.387	9.871	0.000*	0.424

Notes: HV = Hedonic Value; UV = Utilitarian Value; BA = Brand Affect; BT = Brand Trust; \*significant

In the results of this study, the greatest indirect effect is hedonic value through brand affect on brand trust, meaning that iPhone users have a pleasant experience when using the iPhone, which has a positive impact on strengthening the brand that influences brand trust, which means that users feel confident when using the iPhone and always meet the expectations of iPhone users. The R-Square brand trust result is 0.424, included in the

moderate category.

## Conclusion

The function and attractiveness of a product are the factors that can increase brand trust for consumers. In utilitarian terms, consumers judge that products can have functions, and quality, and can be used efficiently by users. From the phenomenon, in Indonesia, the Apple iPhone smartphone brand is less competitive than Android-based smartphones. This is because the adoption of iPhone technology seems monotonous compared to its competitors. The results of this study show that hedonic value has a significant positive effect on brand trust through brand affect. Hedonic values are more prominent than utilitarian values, meaning positive emotional experiences such as self-confidence, a feeling of happiness, and a sense of fun when using the iPhone which strengthens brand affect and increases brand trust. In contrast to research by Dastan and Getci (2014), the results of the study show that utilitarian value is more prominent because the object in the study covers the entire smartphone so that users see more ease of use, fast response, and effectiveness. All hypotheses in this study were found to be supported, apart from that the R-Squared results of brand trust were found to be in the moderate category. This research shows that other factors can affect the brand trust which is to be studied further in future research.

## Limitations & Further Research

Of course, this research has limitations. The focus of this study is on the smartphone industry, especially the Apple brand, which causes respondents to be limited to iPhone brand users. So, the findings from the results of this data processing will be different if using respondents on other smartphone brands. In this study, respondents were only limited to the country of Indonesia. For further research, respondents could cover a wider area of the world because they saw that the iPhone market share in the world could compete in a qualified manner. In addition, this research proves that consumer behavior motivation, which is divided into hedonic and utilitarian values, can support the hypothesis of influencing brand trust through brand affect. For further research, you can add variables such as self-esteem as another point of view from consumer motivation.

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