

INFLUENCE OF PRODUCT CONSUMPTION VALUE AND SERVICE QUALITY ON PURCHASE INTENTION TOWARD FLAGSHIP SMARTPHONES (CASE STUDY SAMSUNG PRODUCTS)

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ABSTRACT

Background: The premium smartphone market in Indonesia has shown promising growth driven by increasing purchasing power and evolving consumer preferences. Flagship smartphones are no longer merely technological tools but symbols of status and identity, especially among Generation Z.

Purpose: This study aimed to investigate the cognitive and affective factors influencing the purchase intention for flagship smartphones among Indonesian Gen Z consumers and to develop managerial implications for marketing strategies.

Design/methodology/approach: A mixed-method approach was applied with quantitative data from 120 Gen Z respondents, analyzed using partial least squares structural equation modeling (PLS-SEM).

Findings: Functional, social, and epistemic values significantly and positively influence purchase intention, while emotional value exerts a significant but negative effect. In contrast, monetary value and retail service quality were found to have no significant impact.

Conclusion: These results suggest that Gen Z's purchase intention is driven more by perceived functionality and social signaling than by price sensitivity or service experience. This study contributes to the literature by contextualizing consumption value theory in the luxury smartphone market and offers strategic insights for marketers targeting Gen Z in emerging economies.

Originality/value (state of the art): This study offers a novel contribution to the field of consumer behavior and marketing in the luxury technology segment by integrating the two-path affective behavior cognition (ABC) model with the Theory of Consumption Values (TCV) and service quality dimensions, an approach that has not been extensively applied in the context of flagship smartphones in emerging markets.

Keywords: business management, purchase intention, ABC model, consumption value, service quality

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INTRODUCTION

The context of the Indonesian smartphone market provides a compelling case study of high-end consumer behavior. Recent data underscore a remarkable surge in market activity, with national smartphone shipments reaching 10 million units in the first quarter of 2024, representing a substantial year-on-year (YoY) increase of 27.4%. Crucially, the premium flagship segment (priced above USD 600) also demonstrated notable resilience, growing at 12.8% YoY.

This growth is driven not merely by demographic expansion but also by structural economic shifts, including rising purchasing power and, significantly, the widespread adoption of accessible financing mechanisms such as Buy Now Pay Later (BNPL) schemes. The value of BNPL transactions reached IDR 6.81 billion as of May 2024, marking a 33.6% YoY increase. This widespread prevalence of credit-based consumption implies a fundamental shift in the consumer decision matrix: when price obstacles are mitigated, the primary drivers of purchase intention pivot away from purely utilitarian or economic considerations and toward psychological and symbolic motivations. This contextual detail is essential for interpreting the study's subsequent findings on the diminished role of monetary value.

Flagship smartphones operate beyond their functional utility; they are deeply ingrained as symbolic status goods that reflect social prestige and personal achievements. Literature on luxury consumption affirms that high-end products, including flagship technology, serve as powerful tools for social signaling, allowing users to demonstrate success and modernity. This function is particularly salient in emerging markets. The market resilience, even during periods of economic concern, can be partially explained by the "lipstick effect" means the consumers' tendency to acquire accessible or second-tier luxury products during downturns to maintain a sense of status.

Despite the rapid growth of the premium smartphone segment, many brands, especially Samsung Products, continue to struggle to understand the unique psychological mechanisms driving consumer decisions, particularly those of Generation Z. They represent the demographic with the highest smartphone penetration rate (92%) in Indonesia and a significant interest in flagship devices. This generation's consumption

patterns are uniquely characterized by digital fluency, value-seeking, and heightened susceptibility to emotional stimuli, notably Fear of Missing Out (FOMO). Unlike previous generations, Gen Z are considered skeptical and analytical consumers, leveraging their unprecedented access to information and technology to compare products and models with minimal exertion (Ammen et al. 2023). Therefore, Gen Z's purchase intentions for flagship smartphones cannot be fully explained by conventional rational decision-making models.

Analyzing consumer behavior is widely adopted to address marketing challenges by leveraging insights into the factors that drive consumer decision-making. Understanding the motivations, preferences, and behavioral patterns that influence purchase intentions enables businesses to tailor marketing strategies and product offerings more effectively (Lau et al. 2023; Huang et al. 2019; Wong et al. 2019). Huang et al. (2019) mentioned that the Affective-Behavior-Cognition (ABC) model, proposed by Eagly and Chaiken (1993), offers a robust theoretical framework to analyze consumer purchase intentions by integrating affective (emotional), behavioral, and cognitive components. It conceptualizes consumer attitudes as being influenced by both rational (cognitive) and emotional (affective) factors.

Although this model has been widely applied in various consumer behavior studies, previous research has predominantly focused on general purchase intentions within mass-market segments, often overlooking the distinct cognitive and affective drivers relevant to digital-native consumers (Gen Z) and high-end luxury smartphone categories. This gap underscores the need for targeted investigation to better understand consumer behavior and market dynamics in the premium smartphone segment.

To address this gap, this study borrows ideas from Wong et al. (2019), who integrate the ABC model with the theory of consumption (theory of consumption values, TCV) developed by Sheth et al. (1991). The TCV posits that consumer choice is determined by multiple values (functional, social, emotional, epistemic, and conditional) that consistently predict behavioral intentions across diverse research settings. This theory can clarify a person's motivation in consumption behavior. To enhance the explanatory power of this framework, this study incorporates

Service Quality (SERVQUAL) theory and monetary value. Service quality is recognized as a critical cognitive perception in consumption activities (Yi et al. 2014). The integration of service quality complements the ABC model by addressing the functional and experiential dimensions that influence consumer evaluations in retail contexts. Monetary value is a construct introduced by Poushneh and Parraga (2019) to capture the evaluative considerations relevant to high-value products. This inclusion acknowledges the importance of price-related perceptions along with functional and emotional drivers in shaping purchase decisions for premium smartphones. Therefore, the perspective provided by this framework regarding consumer behavior can be used to observe the behavior of Generation Z, which has unique characteristics.

Therefore, this study offers a novel contribution to the field of consumer behavior and marketing in the luxury technology segment by integrating the two-path affective behavior cognition (ABC) model with the Theory of Consumption Values (TCV) and service quality dimensions, an approach that has not been extensively applied in the context of flagship smartphones in emerging markets. Although previous research has examined general smartphone purchase intentions, few studies have specifically addressed the affective and cognitive motivations behind Gen Z's consumption of premium or flagship smartphones in Indonesia.

Hence, the objective of this study is to examine the affective drivers (emotional, social, and epistemic values) and cognitive drivers (functional value, monetary value, and retail service quality) that influence purchase intentions for flagship smartphones among Gen Z Indonesian consumers. In doing so, this study aims to fill the literature gap concerning high-end smartphone consumer behavior within this demographic and region. Ultimately, the findings are intended to provide managerial implications and guide marketing strategies tailored to the unique preferences and decision-making processes of digitally native consumers in the premium smartphone market.

This study contributes to the theory and practice in several ways. Theoretically, this study advances the consumer behavior literature by applying a multidimensional psychological model to a specific luxury technology context. Practically, it offers insights for marketers and product managers on how

to better align flagship smartphone offerings with Gen Z consumers' cognitive and affective values, ultimately enhancing market fit, brand appeal, and purchase conversion rates.

METHODS

The research design adopted a quantitative approach to enable objective measurement and statistical analysis of the variables under study. The research was carried out in Bogor over a five-month period from January to May 2025. This research employed primary data gathered using an online survey, which allowed for efficient distribution and collection of responses from participants. A non-probability sampling technique, specifically self-selection sampling (Saunders et al. 2019), was employed, wherein potential participants were invited to voluntarily complete a questionnaire distributed via Google Form on digital platforms such as Instagram, WhatsApp, and Telegram. The target population comprised Generation Z (Gen Z) individuals in Indonesia, particularly those aged 18–30 years with experience in purchasing smartphones through offline (retail) channels. The sample size consisted of 96 respondents, determined using the Lemeshow formula, with a 5% margin of error. Descriptive and inferential statistics were used to interpret the survey results. Descriptive statistics summarized participant demographics and key variables, while inferential statistics, including regression and hypothesis testing, examined relationships, and tested hypotheses. Data cleaning ensured accuracy before analysis.

The research instrument was constructed by adapting validated measurement scales from the established literature to ensure construct reliability and content validity. All constructs were measured using multi-item scales adapted from the established literature. Items were assessed using a four-point Likert scale (1 = strongly disagree to 4 = strongly agree) to minimize central tendency bias (Douven, 2017). The questionnaire consisted of seven latent constructs. The questionnaire consisted of seven latent constructs: Emotional value (Furukawa et al. 2019; Shin et al. 2021), Social value (Amin and Tarun, 2021; Khan and Mohsin, 2017; Rahman and Haque, 2021; Wong et al. 2019), Epistemic value (Furukawa et al. 2019; Petrovčiková and Sudzina, 2018; Suki, 2016; Wong et al. 2019), Functional Value (Petrovčiková and Sudzina, 2018; Poushneh and Parraga, 2019), Monetary Value

(Poushneh and Parraga, 2019), Retail Service Quality (Aptaguna and Pitaloka, 2016; Wei, 2022), Purchase Intention (Aravindan et al. 2023; Poushneh and Parraga, 2019; M. R. H. K. Rakib et al. 2022).

Partial Least Squares Structural Equation Modeling (PLS-SEM) with SMARTPLS version 4.0.0.9 was applied to evaluate the model and hypotheses. This method efficiently analyzes the complex relationships among latent variables within a single framework. Validity was assessed using Loading Factors, Average Variance Extracted (AVE), and the Fornell-Larcker Criterion at both indicator and construct levels. All measurement items showed strong convergent validity, with loadings above 0.6 and AVE above 0.5. Discriminant validity was confirmed, as the square root of each AVE exceeded correlations with other constructs. Reliability tests, including Composite Reliability and Cronbach's alpha, indicated good internal consistency with values above 0.7.

The relationship between the variables in this study was developed to capture the unique characteristics of Generation Z in their purchase decisions, as outlined in the introduction. To achieve this, this study utilized the ABC model, integrating total customer value (TCV) (Wong et al. 2019), retail service quality dimensions (Yi et al. 2014), and monetary value (Poushneh and Parraga (2019) as key constructs. This framework allows for a comprehensive understanding of how Generation Z perceives and evaluates value during the purchasing process. The ABC model facilitates the examination of affective, behavioral, and cognitive components influencing decision-making, while the TCV and retail service quality dimensions address the multifaceted value expectations of this demographic. Monetary value further contextualizes these relationships by quantifying the economic aspect of purchase decisions, ensuring that the model reflects both psychological and financial factors relevant to Generation Z consumers.

This synthesis allows the model to capture the dual nature of luxury consumption, where objective utility (cognition) interacts with subjective status perception (affect):

1. The cognitive path (rational evaluation) encompasses functionally driven, objective evaluations. It includes functional value (perceived performance, reliability, and material quality) and monetary value (the perceived fairness of the price, value for money, and economic reasonableness

of the high price point). Additionally, retail service quality (SQ) is incorporated here as a critical cognitive perception related to purchase experience, addressing the functional and experiential dimensions of retail interaction.

2. The affective path (psychological evaluation) captures emotionally driven psychological motivations. It includes emotional value (pleasure and satisfaction derived from ownership), social value (status signaling, impression management, and social acceptance), and epistemic value (the desire for novelty, distinctiveness, and curiosity sparked by new technology).

This explicit mapping is critical for identifying the factors that influence consumer behavior, as it transforms the model from a simple collection of variables into a cohesive, theoretically grounded framework for attitude formation towards luxury products. Furthermore, this framework allows for a priori contextualization of the anticipated results. For instance, while emotional value is traditionally studied as a positive driver (pleasure), the Gen Z context introduces the possibility of negative emotional triggers, such as the avoidance of exclusion or the Fear of Missing Out (FOMO), which can also greatly enhance purchase intention for luxury items.

In accordance with Figure 1, this study places emotional value, social value, epistemic value, functional value, monetary value, and retail service quality as independent variables. This is the foundation of scientific study, designed based on relevant theory and previous research, which declared that there was a positive effect between the independent variables and dependent variable in this study. For this reason, the following six hypotheses were formulated:

H: There is no influence between emotional value, social value, epistemic value, functional value, monetary value, and retail service quality on purchase intention

H1: There is an influence between emotional value, social value, epistemic value, functional value, monetary value, and retail service quality on purchase intention

H1-1: Emotional value positively and significantly influences purchase intention.

H1-2: Social value positively and significantly influences purchase intention.

H1-3: Epistemic value positively and significantly influences purchase intention.

- H1-4: Functional value positively and significantly influences purchase intention.
- H1-5: Monetary value positively and significantly influences purchase intention.
- H1-6: Retail service quality positively and significantly influences purchase intention.

RESULTS

Characteristic of the respondents

A total of 120 respondents, 125% of the original calculated sample size of 96. This oversampling approach helps mitigate risks such as incomplete surveys, invalid responses, or respondents not meeting inclusion criteria. In this study, the characteristics of the respondents were classified based on socio-demographic factors, such as gender, age, place of origin, and occupation. This study was predominantly composed of female respondents, accounting for 87% of the sample, while male respondents represented only 13%. This imbalance may be attributed to the study's specific sampling criteria, which required respondents to have purchased smartphones from offline (physical) retail stores. According to prior research, females place greater value on in-store (on-site) services than males. Consequently, female are more likely to shop in offline (physical) stores, which may explain the greater representation of women in the sample.

The age distribution of respondents ranged from to 22-25 years (47%, 18-21 years (39%, and 26-30 years (14%). In terms of geographical distribution, respondents were from Jabodetabek, 38% from East Java, 23% from Central Java, 16% from West Java, 10% from Sumatra, 9% from Sumatra, and 3% from the eastern region. Although the regional distribution does not represent Indonesia either, it could explain why the Java region, especially Jabodetabek, is the center of smartphone consumption in Indonesia. According to the GfK report quoted from an article on the internet, it shows that around 60% of offline smartphone purchases in Indonesia come from Java

Measurement or Outer Model Evaluation

The measurement or outer model was applied to calculate the validity and reliability of the construct. A construct is considered valid if it fits two types of validity, convergent and discriminant, each with its respective criteria. For a model to demonstrate convergent validity, the outer loading value for each indicator must exceed 0,6 and the Average Variance Extracted must be greater than 0,5 for each latent variable so that the construct explains more than half of the variance of its indicators. As presented in Table 1, the results of the convergent validity testing show that all indicators and latent variables meet these thresholds, with outer loading > 0,6 and AVE > 0,5.

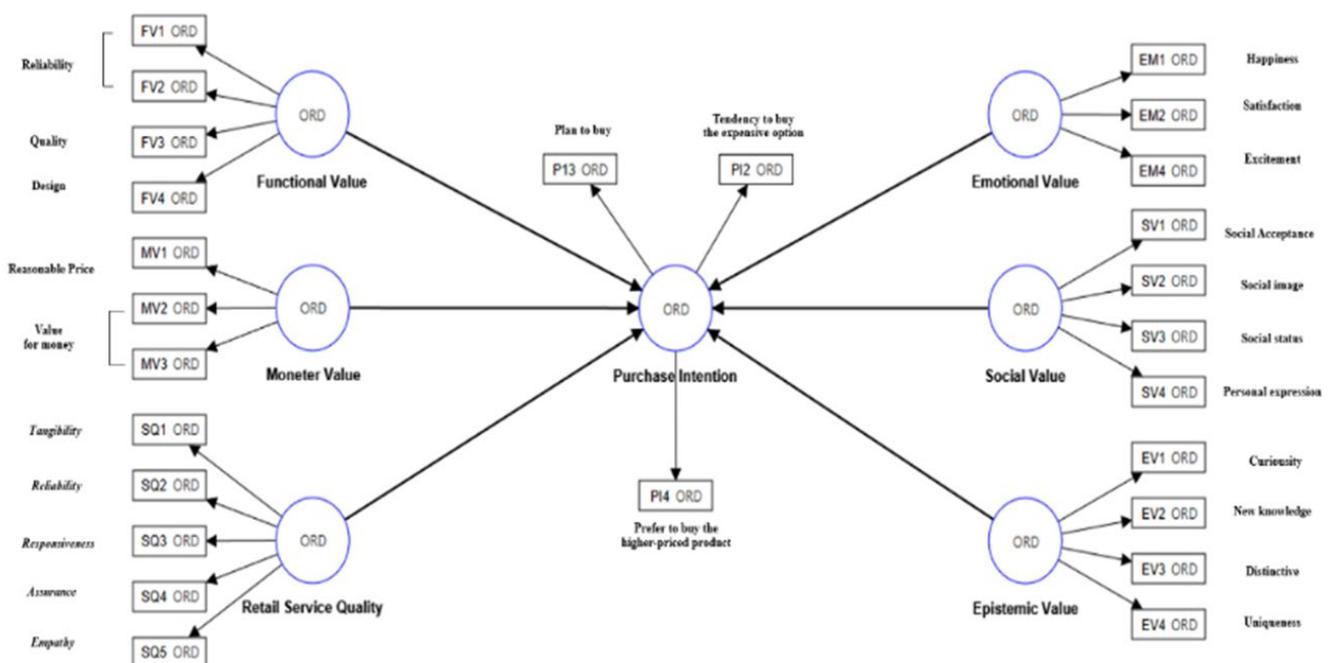


Figure 1. Research Conceptual Model

Table 1. Convergent validity test of affective, behavior, and cognition factors

Factors	Variables	Indicators	Outer Loading	AVE	Annotation	
Affective Factors	Emotional Value	EM1	0.906	0.709	Valid	
		EM3	0.802		Valid	
		EM2	0.814		Valid	
	Social Value	SV1	0.912	0.771	Valid	
		SV2	0.915		Valid	
		SV3	0.908		Valid	
		SV4	0.768		Valid	
	Epistemic Value	EV1	0.835	0.680	Valid	
		EV2	0.811		Valid	
		EV3	0.830		Valid	
		EV4	0.821		Valid	
	Cognition Factors	Functional Value	FV1	0.874	0.732	Valid
FV2			0.899	Valid		
FV3			0.838	Valid		
FV4			0.808	Valid		
Monetary Value		MV1	0.857	0.744	Valid	
		MV2	0.897		Valid	
		MV3	0.832		Valid	
Retail Service Quality		SQ1	0.859	0.680	Valid	
		SQ2	0.915		Valid	
		SQ3	0.930		Valid	
		SQ4	0.854		Valid	
		SQ5	0.897		Valid	
Behavior response		Purchase Intention	PI1	0.683	0.604	Valid
			PI2	0.784		Valid
			PI3	0.855		Valid

Meanwhile, the discriminant validity function for measuring an indicator can accurately describe its (reflective) latent variables. The model has to fulfill the criteria of the Fornell-Lacker Criterion; the square of AVE must be larger than the correlation with other constructs. The results of convergent validity testing are shown in Table 2.

Furthermore, in the measurement or outer model evaluation, a reliability test is also carried out that aims to measure the consistency of research indicators in measuring the same object if it is done more than once. For a model to demonstrate reliability, the value of Cronbach's alpha and Composite Reliability must be greater than 0,6. Based on the reliability test, it can be seen that each latent variable meets these thresholds, as displayed in Table 3.

Structural or Inner Model Evaluation

The structural or inner model evaluation was analyzed to determine the relationship among latent variables through R-square (R²), adjusted R-square (R²), and predictive relevance (Q²). An R² value of 0,564 is an indication of a moderate model. This means that independent variables contributed 53,4% in explaining the diversity of dependent variables. Meanwhile, the remaining 46,6% were explained by other variables outside the research model. Additionally, a Q² value of 0,473 is an indication of a strong predictive relevance model, which can be seen in Table 4.

Table 2. Discriminant validity test of affective, behavior, and cognition factors

	EM	EV	FV	MV	PI	SQ	SV
Emotional Value (EM)	0.842						
Epistemic Value (EV)	0.657	0.824					
Functional Value (FV)	0.615	0.638	0.856				
Monetary Value (MV)	0.449	0.597	0.713	0.862			
Purchase Intention (PI)	0.383	0.614	0.550	0.357	0.777		
Retail Service Quality (SQ)	0.597	0.770	0.638	0.549	0.546	0.891	
Social Value (SV)	0.584	0.684	0.469	0.339	0.625	0.699	0.878

Table 3. Reliability test of affective, behavior, and cognition factors

Variables	Cronbach's alpha	Composite Reliability	Annotation
Emotional Value	0.794	0.879	Reliable
Social Value	0.899	0.931	Reliable
Epistemic Value	0.843	0.895	Reliable
Functional Value	0.878	0.916	Reliable
Monetary Value	0.829	0.897	Reliable
Retail Service Quality	0.935	0.951	Reliable
Purchase Intention	0.667	0.819	Reliable

Table 4. Model evaluation between affective and cognitive factor to purchase intention

Variable	R-square (R ²)	R-square Adjusted	Q-square (Q ²)	Annotation
Purchase intention	0.534	0.510	0.473	Moderate with strong predictive relevance model

Hypothesis Testing

Once all preliminary data tests have been completed, the subsequent step involves performing hypothesis testing by comparing t-values with t-statistics and p-values at the significance level. In a two-tailed test with a 5% significance level, if the t-values surpass 1.96, and the p-value is below 0.05, it can be inferred that there is a significant effect between the latent variables. Additionally, the original sample value demonstrates the strength and direction of the relationship between the independent and dependent variables. The results of the hypothesis testing are presented in Table 5.

Table 5 shows that the emotional, social, epistemic, and functional values have t-values greater than 1,96, and p-values less than 0,05, these indicated the alternative hypothesis proposed in this study is statistically validated and accepted (H1 to H1-4). Prior studies, such as Ali et al. (2019) and Ling et al. (2021), showed a significant impact of emotional value on the intention to purchase Green IT products. Rahman and Haque (2021) a social value significantly influencing the brand preferences of

Bangladesh and Japanese college universities. Wong et al. (2019) epistemic value significantly influences the purchase intention of smartphones. These results illustrate consumers' desire to gain new experiences and curiosity to be encouraged to buy smartphones. The acquisition of new experiences and knowledge from the use of smartphones by consumers affects the perception and impression formed by a brand. Poushneh and Parraga (2019) showed that functional value significantly influences the purchase intention of smart products.

Contrary to numerous earlier studies that identified a positive effect of emotional value on purchase intention, this research reveals an opposing outcome, indicating that the original sample's emotional value holds a negative value (-0.259). This unexpected finding might be linked to the distinct nature of Gen-Z consumers, who frequently respond to negative emotional triggers when deciding on purchases. For example, research has shown that fear of being excluded or fear of missing out (FOMO) can greatly enhance consumers' purchase intentions for luxury items (Dahlia, 2023; Havlova,

2024). This study also discovered that Gen-Z tends to avoid feelings of exclusion or being left behind and desires to acquire newly launched products before others.

Social value encompasses social acceptance, a good impression of others, higher social status, and personal expression indicators. From the measurement or outer model test, it can be seen that the ability of a smartphone to convey a good impression on others has the highest loading factor (0,915), followed by social acceptance (0,912). This means that the increased consumer purchase intention of premium or flagship smartphones is significantly affected by their ability to enhance the impression and social acceptance of their users. These findings are consistent with, who stated that the purchasing of extravagant commodities is commonly motivated by the desire to describe social class, reinforce personal identity, and provide concrete proof of consumers' capability to acquire high-priced products. Moreover, research by stated that young consumers tend to consider friends, families, or associates' opinions about their smartphones when selecting a smartphone. It is crucial for young consumers to feel accepted by their surroundings to own a certain smartphone brand. Consequently, the higher the self-acceptance of consumers caused by smartphone brand ownership, especially when their social environment members used a certain brand, the higher the consumer's commitment to acquire a certain smartphone brand.

Epistemic value illustrates consumers' desire to gain new experiences and curiosity to be encouraged to buy smartphones. The acquisition of new experiences and knowledge from the use of smartphones by consumers affects the perception and impression formed by a brand. Epistemic value encompasses the capacity of the smartphone to spark curiosity, add new knowledge,

and be new, distinctive, and unique. Among these four indicators, the capacity of the smartphone to spark curiosity and have newness and distinctive attributes was the highest loading factor. Related to these results, to continuously increase consumer purchase intention, the smartphone needs to hold an incremental improvement and always produce novelty that could keep consumers curious until they want to purchase the smartphone. Furthermore, Gen-Z has distinctive characteristics, particularly in terms of consumption. Gen-Z tends to like unique and rare products and prioritizes the consumption of authentic products and following the value of certain product brands (Francis dan Hoefel, 2019)

The functional value has the highest yield of the original sample (0,436), it inferred this variable has the greatest influence on purchase intention for flagship smartphones, among others. This finding aligns with previous research, which found that functional value significantly influences the purchase intention of smart products (Poushneh and Parraga, 2019). However, this finding contrasts with previous study's findings, which found no significant influence between functional value and smartphone brand preferences Rahman and Haque (2021); Wong et al. (2019). This discrepancy may be attributed to generational differences in consumption behaviors. This study focuses on Gen-Z consumers, who have skeptical and analytical consumption characteristics (Francis and Hoefel, 2019). Additionally, this generation is most exposed to knowledge, technology, and the Internet, which are invaluable in easing to obtain and compare information between numerous smartphone brands and models with minimal exertion. Consequently, Gen-Z consumers are more selective in choosing a smartphone, making functional value a more influential factor in shaping purchase intention.

Table 5. Analysis of the influences of affective and cognitive factors on the purchase intention of flagship smartphones

Variabel X	Variabel Y	Original sample	T-values	P-values**	Hypothesis
Emotional Value (EM)	Purchase Intention (PI)	-0.259	2.759	0.006	Accept H1
Social Value (SV)	Purchase Intention (PI)	0.421	3.336	0.001	Accept H1-2
Epistemic Value (EV)	Purchase Intention (PI)	0.361	2.660	0.006	Accept H1-3
Functional Value (FV)	Purchase Intention (PI)	0.436	3.278	0.001	Accept H1-4
Monetary Value (MV)	Purchase Intention (PI)	-0.163	1.787	0.074	Reject H1-5
Retail Service Quality (SQ)	Purchase Intention (PI)	-0.060	0.518	0.604	Reject H1-6

**at a significance level of 5%.

On the other hand, both monetary value and retail service quality have t-values below 1.96 and p-values exceeding 0.05, indicating that the alternative hypotheses proposed in this study lack statistical support and should be rejected (Reject H5 and H6). This finding is in line with previous research, which found that monetary or economic value does not influence the purchase intention of smartphone products among Malaysian workers. However, the contrast finding occurs between this research and previous research, which stated that monetary value positively influences the purchase intention of smart products and organic foods (Curvelo et al. 2019; Poushneh and Parraga, 2019).

This discrepancy may be attributed to differences in research objects, where this research focuses on flagship smartphones, which are categorized as expensive and luxurious items, as the object of research. In such cases, consumers are more likely to buy expensive products because of their social value rather than because of the trade-off between price and quality. According to Kiatkawsin and Han (2019), the consumption of luxury products is not motivated by utilitarian benefits but more by intangible benefits, such as emotional gratification and enhancement of social image. The availability of a discount on luxury items somehow creates an adverse effect caused by altered consumer perceptions and reduces the perceived quality of products.

Service quality has a significantly positive influence on Samsung smartphone purchase intentions. This discrepancy may be attributed to differences in consumer behavior when seeking information about smartphones. Typically, consumers conduct extensive preliminary research before buying a product, especially high-priced ones. It is leading them to decide on the type and brand of smartphone before visiting a store. Moreover, this study found that only 10% of respondents relied on a retail salesperson as an information source when considering premium or flagship smartphone purchases. These two factors contribute to the diminished role of retail interactions in shaping and influencing consumer purchase intentions within this context.

Managerial Implication

Beyond the result, this research confirmed that functional value (highest original sample coefficient of 0.436), social value, and epistemic value significantly and positively influenced the purchase intention

of flagship smartphones among Indonesian Gen Z consumers. This strongly suggests that Gen Z's purchase behavior is driven primarily by perceived functionality (utility derived from analytical assessment) and social signaling (status enhancement). The model's ability to explain these drivers is amplified by counter-intuitive findings, which validate the need for a specialized TCV-ABC framework in this context.

The dominance of non-monetary value: The finding that monetary value was non-significant confirms the premise established in the Introduction that luxury consumption and reduced financial barriers (e.g., BNPL schemes) diminish the traditional trade-off between price and quality. Consumers prioritize intangible benefits such as social image over economic rationality in this segment.

The shift in emotional drivers: the significant negative original sample value (-0.259) for emotional value, while contradictory to some traditional studies, suggests that Gen Z's affective drivers in luxury consumption are dominated by negative stimuli, such as the fear of being excluded (FOMO). This finding highlights a unique psychological path to purchase intention in this digital-native demographic, where exclusion avoidance acts as a powerful motivator for acquiring newly launched high-status technology.

The digitalization of retail experience: The non-significant influence of retail service quality is consistent with the observation that Gen Z conducts extensive, self-driven research before visiting a store. This extensive knowledge acquisition renders in-store salesperson interaction less critical in shaping the final purchase intention for high-priced items.

Drawing from the analysis, the following essential managerial implications for Samsung Flagship Smartphone Products are suggested: prioritize functional value, as it shows the strongest positive influence on purchase intention. Smartphone companies should emphasize the advanced features, performance, and technological capabilities of flagship devices in marketing and development. Highlight unique functionalities such as cutting-edge camera technology, processing power, or innovative displays. Companies should invest in R&D to enhance their functional aspects and maintain technological leadership. For the impact of social value, marketers should position flagship smartphones as status symbols. Marketing

campaigns should demonstrate how devices enhance social image through influencer collaboration and emphasize social connection capabilities.

While emotional value showed a negative influence, it also significantly affected purchase intention. Marketers should carefully use concepts such as FOMO and exclusivity, focusing on positive emotions such as excitement and empowerment. Develop narratives showing how devices enhance daily experience. Given the non-significant impact of price and retail service quality, companies should prioritize brand value over price promotions. Generation Z luxury smartphone marketing focuses on emotional and social aspects through social media initiatives. Create seamless online-offline integration and consistent brand messaging. Tailor campaigns to align with Generation Z values of self-expression and technological leadership. Use data analytics for personalized marketing and consider customization options. Create engagement platforms through online forums and brand ambassador programmes. Partners with fashion, music, or gaming brands to position smartphones as lifestyle products.

CONCLUSIONS AND RECOMENDATIONS

Conclusions

The study found that the factors that most influence Gen-Z consumers' purchase intention for flagship smartphones in Indonesia are functional value, social value, and epistemic value. Despite the emotional value influencing purchase intention, it indicated a significant negative effect of emotional value on purchase intention. Meanwhile, monetary value and retail service quality do not have a significant effect on purchase intention.

The findings of this study have significant implications for existing theoretical frameworks in the context of Generation Z's behavior. As digital natives, Gen Z's unique characteristics and preferences necessitate the reevaluation and potential adaptation of these models. Generation Z is influenced more by perceptions of functionality and social signaling than by price sensitivity or service experience when deciding to purchase a flagship smartphone. Consumption behavior for flagship smartphone products has unique

characteristics, such as a tendency to be influenced by negative emotional triggers (FOMO) and a preference for unique/authentic products. Generation Z tends to conduct extensive research before making a purchase; therefore, retail interaction plays a less significant role in shaping purchase intention.

The main managerial implications include prioritizing functional value, leveraging social value, triggering curiosity and novelty, using emotional triggers wisely, reducing emphasis on price and retail experience, and developing omni-channel strategies.

Recommendations

Despite the valuable finding provided by this study, it is important to acknowledge its limitations for implementation in dynamic business. Future studies should move beyond purchase intention (a behavioral proxy) to examine actual purchase behavior, potentially by incorporating sales data, longitudinally tracking consumers' subsequent purchases, or employing advanced qualitative techniques to understand real buying patterns. Second, a longitudinal study could provide essential insights into the evolution of consumption values and how their influence on purchase intention changes over time, particularly as flagship models are superseded or economic conditions fluctuate. Third, subsequent studies should incorporate additional explanatory factors that may interact with highly influential functional values, such as technological self-efficacy, brand loyalty, and product innovativeness, to provide a more comprehensive empirical understanding of the purchasing landscape.

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