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Home Purchase Decisions: An Analysis of Location, Promotion, and Price of Housing in Indonesia

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Abstract: This research is about purchasing decisions for Pantai Indah Kapuk 1 housing in Indonesia and this study aims to determine location, promotion and price analysis of housing purchase decisions at Pantai Indah Kapuk 1 and the respondents who are the owners of Pantai Indah Kapuk 1 housing. This research is descriptive quantitative. Primary data and secondary data obtained. Secondary data was obtained from various sources such as journalists, books and other related primary publication data obtained by distributing questionnaires to the target respondents. Determining the number of samples using purposive sampling technique and will be distributed via Google form to at least 150 respondents obtained. The results showed that location has a significant positive relationship with purchasing decisions, promotion has a significant positive relationship with purchasing decisions, and price has a significant positive relationship with purchasing decisions.

Keywords: Location, Promotion, Price, Purchase Decision

INTRODUCTION

Based on Property Growth Throughout 2019, in the second quarter, Indonesia led Southeast Asia in the list of countries with the highest growth in residential property. In the Global House Price Index list released by Knight Frank Q2 2019, Indonesia recorded a growth in house prices, namely 1.5% year to date 2018, the second quarter to the second quarter of 2019 from the same period the previous year, which caused Indonesia's position to be far above Singapore (1.4%) and Malaysia (1.3%).

This fact can certainly illustrate the level of enthusiasm of the people in Indonesia in residential property transactions. This condition encourages business people to compete in offering attractive residential properties. They make various efforts to be able to control a wider market share and influence property purchasing decisions (Samudro & Hamdan, 2021; Samudro & Hamdan, 2023). The decision to purchase housing by consumers is influenced by several things, namely price, location and good and appropriate promotions so that consumers can buy the housing they want (Rachmawati, at al, 2019; Andreti et al., 2013). To influence purchasing decisions and survive in the midst of increasingly fierce competition, property companies continue to innovate. Start by creating an attractive home design, choosing a

strategic location and building a good promotion.

Location is an organizational device that is included in the process of making a product or service for use or consumption by consumers or business users (Richter et al., 2019). Therefore, it is important for residential property companies to pay attention to the advantages and ease of access to the selected location. In addition to the right location, property companies must also build good promotions. Promotions that explain and convince potential consumers about goods and services with the aim of getting attention, educating, reminding and convincing potential consumers (Yang, 2020).

Price is the sum of all values provided by customers to benefit from owning or using a product, both goods and services (Pamungkas & Hamdan, 2021; Desfiandi et al., 2017). A good price according to the consumer's budget is a pricing strategy in attracting consumers to make housing purchasing decisions. Seeing the intense competition with Agung Podomoro Group, Agung Sedayu Group has implemented a good marketing mix in order to market its products as well as survive the onslaught of its competitors. This marketing mix consists of price, product, place and promotion, where this promotion consists of advertising, public relations and personal selling.

A new culture that is developing in society is buying property from developer companies that have been proven to have high credibility and are trusted. PT Agung Sedayu Group is one of the largest property developers in Indonesia. Agung Sedayu Group provides a wide range of innovative products specifically tailored to the needs of investors.

However, one of the beautiful Kapuk 1 beach residences built by PT. Agung Sedayu Group has concerns, it can be seen that the condition of the roads in the elite area of Pantai Indah Kapuk is still not good and behind the luxury of Pantai Indah Kapuk 1 housing, there is actually a lack of clarity about property projects and this ambiguity, caused by factors from attitudes and policies government regarding issues such as tax amnesty, infrastructure development, and reclamation certainty (Pratiwi, 2016). The phenomena and limitations of previous literature are gaps in this research in analyzing how location, promotion and price influence purchasing decisions at Pantai Indah Kapuk 1. Theoretical and literature studies as references in building the research model are discussed in this research.

Before deciding to make a purchase, consumers usually consider things before making a purchase transaction. Kotler & Keller (2012) stated that basic psychological processes play an important role in understanding how consumers actually make their buying decisions. The buying decision process, namely: 1) problem recognition; 2) information search; 3) alternative evaluation; 4) purchase decision; and 5) post purchase behavior. The definition of purchasing decisions according to Ritonga & Gatot (2018), is to identify all possible options for solving the problem and assessing the choices systematically and objectively and the goals that determine the advantages and disadvantages of each. Housing purchasing decisions are an integration process that combines knowledge attitudes to evaluate two or more alternative behaviors, and chooses one of them (Rachmawati et al., 2019).

Location is a cost and revenue driver, so location often has the power to shape a company's business strategy. A strategic location aims to maximize profits for the company (Florida & Adler, 2022). Choosing a strategic location increases housing purchasing decisions (Rachmawati, 2019). Research by (Sinambow & Trang, 2015) found that strategic location has a positive and significant effect on consumer purchasing decisions. As with research by (Samudro, 2018; Andreti et al., 2013) states that the right housing location strategy will have a positive impact on purchasing decisions. This discussion raises allegations that, H1: Location has a significant effect on purchase decisions

Promotion is a one-way flow of information or persuasion that is made to direct a person or organization to actions that create exchanges in marketing (Ritonga & Gatot, 2018). Galih (2015) shows that promotion variables have a positive and significant influence on

consumer purchasing decisions. Promotion mix includes: advertising, personal selling, sales promotion, direct marketing, and publicity. Various programs designed to promote or protect the image of a company or individual product. Promotion is a one-way flow of information or persuasion designed to direct a person or organization to an action that creates exchange in marketing. Previous research stated that promotion has a positive influence on housing repurchase intention (Syachrony et al., 2023). as well as also found that promotion has a significant influence on purchasing decisions. As for research (Hamdan et al., 2023) that there is a significant influence between promotions and purchase decisions. This discussion raises allegations that, H2: Promotion has a significant effect on purchase decisions

Price is the sum of all values given by customers to benefit from having or using a product, both goods and services (Kotler & Keller, 2012). In geographical pricing, companies decide how to price their products for different consumers in different locations and countries (Kim et al., 2012) including: price affordability and price competitiveness. In line with previous research finding that there is a positive and significant influence between price and purchasing decisions (Indumathi & Dawood, 2016). This discussion raises allegations that, H3: Prices have a significant effect on purchasing decisions

RESEARCH METHODS

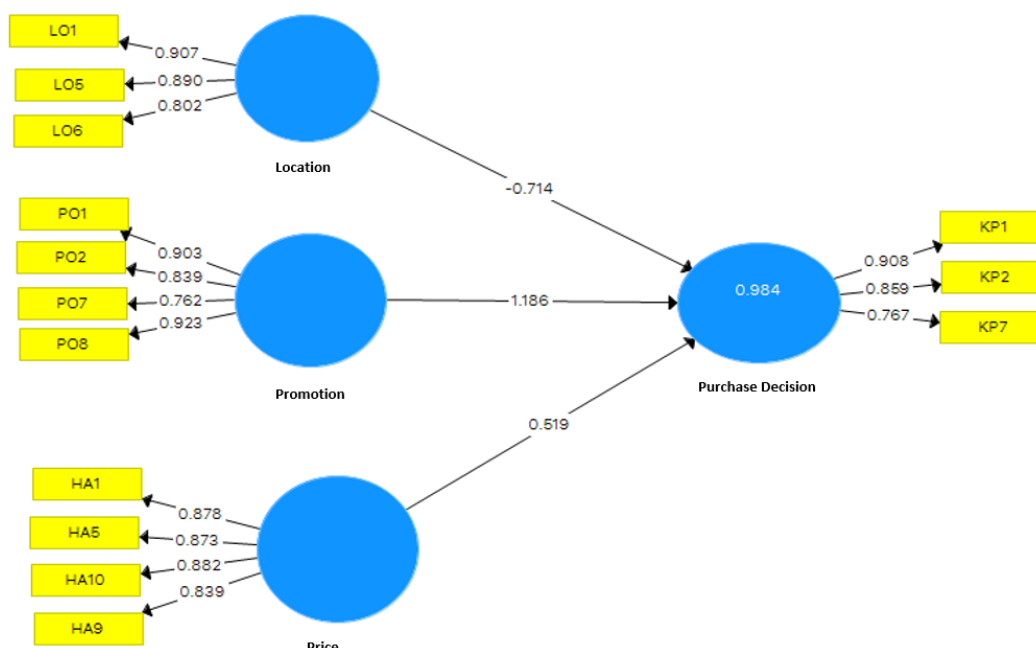
Based on the purpose and form of the problems in this study, this research uses a descriptive research type with a quantitative approach that influences the inter-variables, namely location, promotion and price as exogenous variables, while purchasing decisions are endogenous variables. So this study uses a causal relationship (causal). According to (Sugiyono, 2012) causal design is research that aims to analyze the causal relationship between the independent (exogenous) and dependent (endogenous) variables.

The data needed for processing data with PLS-SEM requires at least 10 times the independent variables of the outer model and inner model or using a sample size of ten times the number of construct forming formative indicators (Hair et al., 2013). Then obtained a minimum of 150 research samples. The selection of respondents as a sample used a purposive sampling technique, namely the selection of informants deliberately based on their ability to explain certain themes, concepts or phenomena (Sekaran & Bougie, 2017). The criteria for informants are consumers who are located at Pantai Indah Kapuk I.

RESULT AND DISCUSSION

Convergent Validity

The outer loadings of all construct items is above 0.70, so it can be concluded that all indicators in reflecting on the construct can be accepted or valid after re-estimating (drop model), because it has a value below 0.70 (Figure 1). In addition to seeing the model on the measurement of the outer model to determine whether or not the indicators used are valid, it can also be seen in the AVE results >0.50 (Table 1).



Source: SmartPLS Data Processing Results
Figure 1. Outer Loadings Validity Results

Table 1. AVE Results

Variabel	AVE	Information
Purchase Decision	0,717	Valid
Location	0,753	Valid
Promotion	0,753	Valid
Price	0,801	Valid

Source: SmartPLS Data Processing Results

Table 1 above shows that the AVE value of each construct (variable) is above 0.5. Therefore there is no problem of convergent validity in the model being tested. As for seeing the correlation between one construct and another in the AVE model, it is shown in Table 2 below.

Discriminant Validity

Testing descriptive validity, reflective indicators can be seen in the cross-loading between the indicators and their constructs. An indicator is declared valid if the indicator has the highest factor loading for the target construct compared to the factor loading for other constructs (Table 2). Apart from that, this assessment can be seen in the results of the Fornell-Larcker test, if the correlation value between constructs is higher with other constructs being declared to meet discriminant validity (Table 3).

Table 2. Cross Loading Results

	X1	X2	X3	Y
LO1	0,907	0,803	0,873	0,800
LO5	0,890	0,921	0,839	0,852
LO6	0,802	0,615	0,882	0,616
PO1	0,769	0,903	0,736	0,908
PO2	0,667	0,839	0,651	0,859
PO7	0,824	0,762	0,792	0,767
PO8	0,887	0,923	0,837	0,854
HA1	0,878	0,614	0,878	0,615

HA5	0,873	0,803	0,873	0.800
HA9	0,839	0,921	0,839	0,852
HA10	0,882	0,615	0,882	0,616
KP1	0,769	0,903	0,736	0,908
KP2	0,667	0,839	0,651	0,859
KP7	0,824	0,762	0,792	0,767

Source: SmartPLS Data Processing Results

Table 3. Fornell-Larcker Results

Konstruk	Location	Promotion	Price	Purchase Decision
Location	0,907			
Promotion	0,769	0,903		
Price	0,797	0,614	0,878	
Purchase Decision	0,800	0,903	0,736	0,908

Source: SmartPLS Data Processing Results

Reliability

If all latent variable values have a composite reliability value and Cronbach's alpha 0.7, then all latent variables have good reliability values or the questionnaire used as a tool in this study is reliable and consistent. Meanwhile, if composite reliability and Cronbach's alpha 0.7, it will be the other way around. The following can be seen in Table 4 composite reliability and Cronbach's alpha below.

Table 4. Composite Reliability and Cronbach's Alpha Results

Variable	Cronbachs Alpha	Composite Reability
Location	0,836	0,901
Promotion	0,880	0,918
Price	0,839	0,924
Purchase Decision	0,800	0,883

Source: SmartPLS Data Processing Results

R-Square

Interpretation of the goodness of fit test model for the R-Square value for the endogenous latent variable of 0.67 was stated to be good, 0.33 was stated to be moderate, and 0.19 was stated to be weak. The R-Square value in this study can be seen in Table 5 below..

Table 5. R-Square Result

Endogen Variable	R Square
Purchase Decision	0,984

Source: SmartPLS Data Processing Results

The coefficient of the R-Square value of the customer satisfaction variable has a value below 0.67, so it is said to be moderate. This means that the ability of the variable Location, Promotion and Price in identifying and explaining the Purchasing Decision variable is 0.984 or 98.4% and the rest is identified and explained by other variables outside the research.

Cross-validated Redundancy (Q^2)

The results of the above calculations show that the predictive-relevance (Q^2) value is $0.737 > 0$. This means that the research model has met predictive-relevance and the research model built is feasible and acceptable to be developed in further research models

Table 6. Cross-validated Redundancy (Q^2) Result

Variabel Endogen	(Q^2)
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Purchase Decision 0,737

Source: SmartPLS Data Processing Results

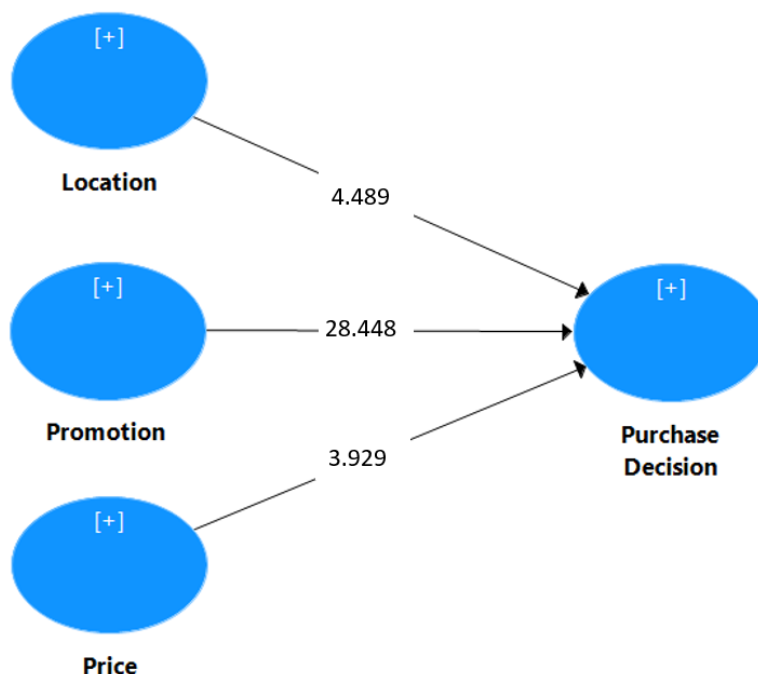
Hypothesis Test

The test criteria in the estimation for path relationships in the structural model must be significant. Significance values can be obtained from bootstrapping by looking at the parameter coefficient values. The coefficient value of the structural model is said to be significant if the t-value > t-table is 1.96 (1.96 is the t-table value at a 95% confidence level). The significant relationship between variables in this study can be seen in Table 7 below.

Table 7. Hypothesis Test Result

Relationships	T value	Accepted?
Location -> Purchase Decision	4,489	H1: Yes
Promotion -> Purchase Decision	28,448	H2: Yes
Price -> Purchase Decision	3,929	H3: Yes

Source: SmartPLS Data Processing Results



Source: SmartPLS Data Processing Results

Figure 2. Research Model Results

Interpretation of the results of hypothesis testing that has been carried out in accordance with established procedures is described as follows:

- The result of the tcount coefficient on the location variable on purchasing decisions is $4.489 > 1.96$. This means that location has a significant relationship to purchasing decisions (H1: accepted).
- he result of the tcount coefficient on the Promotion variable on purchasing decisions is $28.448 > 1.96$. This means that the Promotion variable has a significant relationship to the purchase decision ((H2: accepted).
- The result of the tcount coefficient on the price variable on purchasing decisions is $3.929 > 1.96$. This means that the price variable has a significant relationship to the purchase decision (H3: accepted).

Based on the hypotheses developed in this study regarding Location, Promotion and Price Analysis on Buying Decisions for Pantai Indah Kapuk 1 Houses, the influence of

interrelated variables will be described. Where, the first hypothesis in this study is that location has a significant effect on purchasing decisions, the second hypothesis, namely promotion has a significant effect on purchasing decisions and the third hypothesis is that price has a significant effect on purchasing decisions

Location has a significant effect on purchasing decisions

From the hypothesis that has been built, namely location has a significant effect on purchasing decisions can be accepted. Because the results obtained in this study are t-statistics = 4.489 which is greater than 1.96. That is, if the location perceived by consumers is in accordance with the benefits obtained, it will increase purchasing decisions. The results of this study are in accordance with research developed by (Samudro & Hamdan, 2023; Rachmawati, 2019) stating that a strategic location can have a positive and significant effect on consumer purchasing decisions.

Promotion has a significant effect on purchasing decisions

From the second hypothesis built in this study, namely promotion has a significant effect on purchasing decisions that can be accepted. Because the results obtained in this study are t-statistics = 28.448 which is greater than 1.96. That is, if the various aspects of the promotion offered are attractive and form a positive attitude of consumers, it will shape consumer behavior which will ultimately decide to make a purchase. The results of this study are in accordance with research developed by (Brata et al., 2017; Limpo et al., 2018) stated that promotion has a positive and significant effect on consumer purchasing decisions.

Prices have a significant effect on purchasing decisions

Where the third hypothesis built in this study is that price has a significant effect on acceptable purchasing decisions. Because the results obtained in this study are t-statistics = 3.929 which is greater than 1.96. That is, if the pricing strategy offered by PT. Agung Sedayu Group according to the benefits received by consumers, it will increase consumer purchasing decisions for Pantai Indah Kapuk 1 housing. The results of this study are in accordance with research developed by (Brata et al., 2017; Kim et al., 2012; Indumathi & Dawood, 2016) which states that price has a significant effect on consumer purchase decision.

CONCLUSION

Based on the results of research that aims to answer the hypotheses that have been built. This study discusses Location, Promotion and Price Analysis of the Purchase Decision for the Pantai Indah Kapuk 1 House. Where, the findings of this study include: (1) Location has a significant effect on the decision to Purchase Housing Pantai Indah Kapuk 1. This means that, when consumers feel that the perceived location aspects can provide convenience in terms of travel time/distance, quick and easy access, location close to the central area, will form a positive attitude and behavior to make a Buying Decision for a Pantai Indah Kapuk House 1; (2) Promotion has a significant effect on the buying decision of Pantai Indah Kapuk 1 Housing. That is, if various promotional mixes can be offered appropriately and effectively to target consumers and are interested in the offer, it will encourage consumers to make a buying decision for Pantai Indah Kapuk 1 Housing; and (3) Price has a significant effect on the decision to purchase a residential beach beautiful kapuk 1. That is, when the price offered by PT. Agung Sedayu Group feels suitable and in accordance with the benefits received, will lead to consumer purchasing decisions for Pantai Indah Kapuk 1 Housing.

The researcher's suggestions from an academic point of view regarding the findings of this study can be used as a reference for further research. However, there are some deficiencies in this study such as: there is still a lack of samples used, so it is necessary to add

more samples to get better and more precise research results. Using variables outside the research, because based on the results of the determination test it still does not meet the expectations of researchers, such as brand image, WOM/e-WOM, social class/social influence variables.

While suggestions for practitioners or business actors are able to implement the aspects in this research. Aspects in this study include: easy access to locations, location security, convenience of locations, easy access to public transportation, adequate road conditions, effective driving information, giving discounts, giving direct gifts, giving sample products, building relationships and intimacy, responsiveness, affordability, price competitiveness, price match with benefits, price match with quality, right developer partner, housing type, housing payment tenor, and payment method. Where, these aspects have been tested empirically and also supported by previous studies. Therefore, it is important for these aspects to be implemented as an effective and appropriate marketing strategic decision making, of course in creating business continuity in the future.

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