

The Effect of Price Variables, Location Variables, and Promotion Variables on Consumer Decisions to Purchase Housing

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Abstract:

This research was conducted with the aim of knowing the effect of price variables, location variables, and promotional variables on consumer decisions in housing purchasing activities at PT. Gemilang. The method in this research is carried out using quantitative descriptive method with hypothesis testing, where the population in this study are all consumers who have made a purchase at PT. Gemilang, the sample of this study was 100 respondents. Sampling in this study using random sampling technique. The method used to collect research data using a questionnaire or questionnaire method, where testing of the results of the questionnaire in the study was carried out by validity analysis and reliability analysis. While the data analysis itself uses multiple regression analysis, t test, F test, R^2 test. The results show that there is a significant influence between price variables on consumer decisions in housing purchases, there is a significant influence between location variables on consumer decisions in housing purchases, there is no significant influence between promotional variables on consumer decisions in housing purchases, and the three variables Simultaneously they have a significant effect on consumer decisions in purchasing housing.

Keywords:

Consumer decisions, prices, locations, promotions

JEL: A1, A10

INTRODUCTION

The housing business is currently not only in big cities, but this business has now started to spread to semi-urban areas and even rural areas for certain areas in Indonesia. Therefore, this business is no longer considered the property of certain people consisting of only a handful of people, but many beginner entrepreneurs have started to explore the business that will continue to grow throughout this time. Housing will continue to be an attractive business because along with the times people will need more and more people with today's human development (Roddick, 2013); (Mangkuprawira, 2009). In this era of information technology which is very rapidly developing, the need for a place to live or shelter continues to experience an increase in demand from consumers every day due to the growing and increasing human population. The house is a part needed by various levels of society to support life. This opportunity is used by property agents to expand their business, especially housing. Every purchase of housing made by a consumer of a company or property agent is very influential on the progress of the company itself, where from the sales made by the company will benefit.

Business can never be separated from the term competition; with this competition a company will be able to assess its performance in providing service and satisfaction to its

customers. Companies that are able to provide many material and non-material benefits to consumers will certainly be able to win the competition and get consumers easily. Competitors in the housing or residential business are currently very competitive with the presence of many new young entrepreneurs who are involved in this business, one of which is in the city. Surakarta. Currently, it can be seen that there are more and more companies engaged in property or housing that sell or offer various types of housing with various facilities that pamper consumer tastes, attractive designs, different types of housing and different prices that are tailored to the desires and abilities of consumers. in determining an attitude or decision in making a purchase in the form of a house. This condition is what ultimately causes entrepreneurs in this business segment to be more incessant and always try to find various alternatives and strategies that are considered capable of increasing the value and competitiveness of the companies they own in business, especially in the housing business sector.

Consumers are now also very smart in choosing housing companies that provide good quality but the price is not that expensive, the location is quite strategic, the promotion is polite compared to housing companies which only sell out sales during promotions which in the end, if calculated are more expensive and not strategic. Many companies find various problems or problems in location and promotion, where consumers see high prices with a very strategic location so that it greatly influences their consumer interest. In addition, consumers come from various different market segments, so that what these consumers need and want are also different from one another. There are still many other factors that influence public interest in buying housing outside of these 3 variables. Producers should really understand the behavior of their consumers towards products on the market. Furthermore, it is necessary to do various ways to make consumers interested in the products produced (Nasution, 2014).

The company's success in marketing can not only be seen from the selection of the right product, reasonable prices, good distribution channels but also supported by effective promotional activities. For this reason, developers use promotions to trigger transactions, communicate the advantages of the product so that it can be known by consumers and can attract consumers who then make the decision to buy the product. This is where it is necessary to hold a focused promotion, because the promotion is expected to have a positive effect on increasing sales (Sugiyono, 2004).

LITERATURE REVIEW

Consumer behavior

Studying and analyzing consumer behavior in purchasing decisions is important, because a good basic knowledge of consumer behavior will be able to provide meaningful input for marketing strategy planning. Consumer behavior is the behavior of consumers in looking for, buying, using, or choosing the product or service they want (Rachmat, 2013). According to Sumarwan (2011) that the consumer decision-making process in choosing, buying, using and evaluating goods and services is influenced by consumer psychological factors. Therefore, making consumers feel comfortable is very important so that the goods or services we offer attract consumers' hearts.

A product is made and marketed based on the need (need) of consumers who have not been satisfied. For this reason, marketers need to learn what consumers need and want. By understanding this, producers can make product changes according to the development of tastes and opportunities (Wibowo & Samad, 2016). Consumer behavior is the actions taken by individuals or groups related to the decision-making process to acquire and use a product that can be influenced by various factors. One of the individual variables that has a direct

influence on the purchasing decision-making process is motivation. It seems that marketers must understand this motivational variable because understanding motivation for marketers will be able to understand why consumers behave in certain ways, buy certain products. By understanding consumer motivation, marketers will be able to better compile marketing stimuli (Sudaryana, 2011).

Price

Price is an important and inseparable part of the marketing mix. Therefore, every time you develop a company pricing strategy, you must pay attention to the overall company policy and product, distribution and sales promotion strategies. Something else could be pride in owning a product that has the correct brand, quality assurance, a feeling of security in owning the product. Prices according to consumers are money that is exchanged for goods or services, while for companies the price is an amount of money that is spent or sacrificed to produce or create goods or services. Price is the value of a good or service that is exchanged for an amount of money spent by the buyer to get a combination of goods or services and services. According to Sadeli & Siswanto (2001), price is something that is determined in exchange for services or goods traded. Price is the only revenue-generating marketing mix. Price is also one of the most flexible elements of the marketing mix, prices can be changed quickly, unlike the appearance of the product. Price is an element of the marketing mix that is flexible, which can change at any time according to time and place. Prices are not just numbers on the label of a package, but prices take many forms and perform many functions. Rent, wages, interest, rates, and storage costs are all the prices that consumers have to pay for goods or services

The price which is the only element of the marketing mix that is often used as a consideration for consumers in making purchases cannot be ruled out by the company. According to Swastha (2006), defines price as the amount of money (plus several products) needed to get a number of combinations of products and services. Price according to Kotler and Armstrong (2001), the amount of money exchanged for a product or service. Furthermore, price is the sum of all the value that consumers exchange for the number of benefits by owning or using a good and service.

Location

Location is a place where a business or business activity is carried out. An important factor in developing a business is the location of the location to the urban area, the way it is achieved and the time it takes to reach the destination (Evelyn and Rudi, 2016). According to Tjiptono's (2002) opinion, location is one of the situational factors that influence purchasing decisions. In the marketing concept, there is a term known as a marketing mix which consists of product, price, promotion and business location. In this marketing mix, the location of the business is called the company's distribution channel because the location is also directly related to buyers or consumers, or in other words, the location is also the place where the producers distribute their products to consumers.

Promotion

The message and introduction of a product or service to consumers are expected to provide a true picture. Messages that can be conveyed through print media or electronic media. For consumers, the message should be as clear as possible, if necessary, provide a picture or plan so that consumers know exactly what is offered (Harminingtayas, 2012). Promotional activities within the company are the most important part in addition to other variables such as location, price and product. A product will be useless if it is not delivered to consumers. Promotion is a marketing variable that is created to introduce the company's products to consumers in the target market.

Purchase Decision

a purchase decision is a person's attitude to buy or use a product in the form of goods or services that are believed to satisfy him and his willingness to bear the risks that may arise. The buying decision is a process of making a purchase decision which includes determining what to buy or not to make a purchase and the decision is obtained from previous activities (Faroh, 2017). The purchasing decision is a process of making a purchase decision which includes determining what to buy or not to make a purchase and the decision is obtained from previous activities. The purchase decision is a problem-solving process consisting of analyzing or identifying needs and wants, searching for information, assessing selection sources for alternative purchases, purchasing decisions, and post-purchase behavior (Walukow, 2014).

RESEARCH METHODS

The method in this research is carried out using quantitative descriptive method with hypothesis testing, where the population in this research are all consumers who have made a purchase at PT. Gemilang, the sample of this research was 100 respondents. Sampling in this study using random sampling technique. The method used to collect research data using a questionnaire or questionnaire method, where testing of the results of the questionnaire in the research was carried out by validity analysis and reliability analysis. While the data analysis itself uses multiple regression analysis, t test, F test, R² test.

RESULTS AND DISCUSSION

The effect of price on housing purchase decisions

Price according to Kotler and Armstrong (2001), the amount of money exchanged for a product or service. Furthermore, price is the sum of all the value that consumers exchange for the number of benefits by owning or using a good and service. Price is also one of the most flexible elements of the marketing mix, prices can be changed quickly, unlike the appearance of the product. Price is an element of the marketing mix that is flexible, which can change at any time according to time and place. Prices are not just numbers on the label of a package, but prices take many forms and perform many functions. Rent, wages, interest, rates, and storage costs are all the prices that consumers have to pay for goods or services.

The results show that there is a significant influence between price variables on consumer decisions in housing purchases, with a significance value of $0.038 < 0.05$, so it can be concluded that H_0 is rejected and H_1 is accepted, which means there is a significant influence between price on consumer purchasing decisions. to buy housing. This shows that the more affordable housing prices in accordance with quality will increase consumer purchasing decisions at PT. Gemilang.

The influence of location on housing purchase decisions

Location is one of the factors that consumers consider before buying housing. Consumers, or rather residents, hope that they can feel the comfort of a beautiful and charming residential environment, not just enjoying the house as a place to rest (Sanda, 2003).

The results showed that there was a significant influence between location variables on consumer decisions in purchasing housing, with a significance value of $0.013 < 0.05$, so it can be concluded that H_0 is rejected and H_2 is accepted, meaning that there is a significant influence between locations on consumer purchasing decisions. to buy housing. This shows that the more strategic a housing location and having a convenient location can increase consumer decisions in making housing construction decisions at PT. Gemilang.

The effect of promotion on housing purchase decisions

Promotion is a marketing activity that seeks to spread information, influence or persuade and remind the target market of the company and its products to be willing to accept, buy, and be loyal to the products offered by the company concerned. Promotion is a form of marketing communication which is a marketing activity that seeks to spread information, influence, and remind the target market of the company and its products to be willing to accept, buy and be loyal to the products offered by the company concerned.

The results showed that there was no significant influence between promotional variables on consumer decisions in purchasing housing at PT. Gemilang, with a significance value of $0.068 < 0.05$, so it can be concluded that H_0 is accepted and H_3 is rejected, meaning that there is no significant influence between promotion on consumer purchasing decisions to buy housing. This shows that the promotions carried out have not been able to influence the increase in purchasing decisions, this is because the promotions carried out do not attract consumers to purchase housing at PT. Gemilang.

The effect of price, location and promotion on housing purchasing decisions

From the F test shows that, the results of the regression analysis obtained F_{count} of 23,900, and F_{table} of 2.70, then $23,900 > 2.70$ with a significance level of $p_{\text{value}} = 0.000 < 0.05$, it can be concluded that the variable price, location, and promotions simultaneously have a significant effect on housing purchase decisions at PT. Gemilang.

CONCLUSION

The results show that there is a very significant influence between price variables on consumer decisions in purchasing housing, there is a significant influence between location variables on consumer decisions in purchasing housing, there is no significant influence between promotional variables on consumer decisions in purchasing housing, and the three variables together have a significant effect on consumer decisions in purchasing housing at PT. Gemilang.

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