



Effect Of Price, Location, And Promotion On Purchasing Decisions At Sam City

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ARTICLE INFO

ABSTRAK

Article history:

Received: 2021-02-23

Revised: 2021-04-05

Accepted: 2021-04-30

Keywords:

Price; location; promotion and purchasing decision

The research aim to test and analyze the effect of price, location, and promotion on purchasing decisions for Sam City Housing in the Mariendal Area, Medan. The phenomenon of declining purchasing decisions, housing prices that are more expensive than other companies, locations that are still difficult to reach and promotions that are not often carried out are the background of the research. Simple random sampling was used as a method for taking samples. The sample used is 113 people. Data analysis method using multiple linear regression. In partial data testing, price show positive and significant influence on purchasing decisions, location show positive and significant influence on purchasing decisions, promotion show positive and significant influence on purchasing decisions at Sam City Housing in the Mariendal Area, Medan..

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1. Introduction

Company Property in Indonesia itself is also very much arriving in Indonesia, one of which is Samara Propertindo. The number of property players in Indonesia, especially in the city of Medan, increasingly influences consumers in making purchasing decisions for housing. Samara Propertindo owns one of the properties in the Mariendal area of Medan. Their sales in the first quarter resulted in very good sales of 85% in the first quarter. In the first three months, Sam City housing has been well received by consumers with sales that are classified as good in the property world, reaching 85%. Of course there are several things that affect it, one of which is in terms of price. The prices offered by the property are affordable for consumers. The price offered by Sam City housing is cheaper than River Valley housing, where the house specifications are more or less the same. The location in the Sam City housing estate is also strategic which is close to the sandpaper station area and close to the Sumatra Cross road and close to the sandpaper toll gate which is now connected to the high cliff toll road. The distance for Sam City housing to the Amplas toll gate is closer than River Valley housing. Sam City also carries out a strategy so that their products can be glimpsed by potential consumers by providing attractive promotions for potential consumers. Sam City conducts promotions through various media (Channels) such as product promotions on Instagram digital media and property sales websites. This promotion was given to prospective customers and gave a positive response which resulted in a surge in sales for the first three months. The steps carried out by Sam City Housing in selling their products have yielded good results where within a year 95% of the target has been achieved. From the explanation given, the researcher is therefore interested in investigating more deeply the effect of price, location, and promotion on purchasing decisions for Sam City housing in the Mariendal area, Medan. This study aims to determine the effect of price, location, and promotion on purchasing decisions for Sam City Housing in Mariendal Area, Medan. This research is expected to provide benefits for all parties including. For companies, The results of this study are expected to provide input for managers and owners to determine appropriate steps in an effort to increase sales volume by taking into account the factors that influence consumer decisions in making purchases. For further researchers, the results of this study are expected to be used as research material and input for further research related to purchasing decisions.

2. Literature Review



Price is "The amount of money charged for a product or service, the sum of the values that customers exchange for the benefit of having or using the product or service". Price is the value of an item expressed in money. Price has two main roles in the decision-making process of buyers, which are easily accessible to target consumers. [8]. [1] There are four measures that characterize price, namely: affordability of price, suitability of price with quality, suitability of price with benefits, and price according to ability or purchasing power. [2]

Location is the domicile of the seller from the domicile of the consumer in terms of access/way that the consumer must take to get to that place [3]. A good location guarantees the availability of fast access, can attract a large number of consumers and is strong enough to change consumer purchasing patterns. [3] Location selection, including the ease of parking and travel distance, are factors that influence consumer purchasing decisions. business location selection requires careful consideration of several factors, namely: access, visibility, traffic, parking, expansion, and environment [3].

Promotion is an activity aimed at influencing consumers so that they can become acquainted with the products offered by the company to them and then they become happy and then buy the product. [7] Promotion is an activity carried out by a company to communicate the benefits of a product and as a tool to influence consumers in purchasing activities or using services according to their needs. [8] The following are the factors that affect promotion according to the nature of the market, nature of the product, life cycle, and available funds. [6]

Decision making, namely the purchase takes place in a coherent manner in 5 stages, namely problem recognition, information search, alternative evaluation, purchase decision, buyer evaluation. [7] The purchase decision is the action of the consumer to buy or not to the product. Of the various factors that influence consumers in making purchases of a product or service. [1]

3. Research Methods

This research was conducted at the Sam City Housing Area, Marechal Medan. This research was conducted from September 2020 to June 2021. The sampling technique in this study used *simple random sampling*. The sample in this study amounted to 113 people. Measurement of the questionnaire using a Likert scale interval 1 to 5 (strongly disagree - strongly agree). Data analysis using multiple linear regression. To test the research instrument using validity and reliability testing.

4. Results

4.1 Company Overview

Samara Propertindo was founded in November 1993 by Adi Ming E under the name PT Propertindo, a company that focuses its business activities on property development. Along with the development of the business, in 2018 PT Propertindo changed its name to Samara Propertindo. Samara Propertindo owns one of the properties in the Mariendal area of Medan. Currently, there are various choices of properties from Samara in Amplas Centre, Santa Fe Residence, Samara Suites Millennial Apartments, Villa Samara, City Suites, De Samara, De Casa Villa, Padma Village, Sam City Samara Mariendal. Currently, Samara Propertindo has succeeded in developing more than 250 hectares of area consisting of landed houses, apartments and warehouses in various strategic locations in the city of Medan. At the same time, we also managed to keep the project handover success rate at 100%. With a wide variety of properties on offer, buyers will have various choices with very diverse needs. This makes Samara's development Propertindo becomes very fast and big. Samara Propertindo continues to be committed to continuing to have a positive impact on life and the surrounding environment with residential and commercial areas designed, built and managed with the best quality standards.

4.2 Respondent Description

The following will explain the characteristics of respondents by gender, age, education and profession

Table 1
Respondent Characteristics

No	Gender	Number of people	Percentage (%)
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1	Man	49	43.36
2	girl	64	56.64
	Age	Number of people	Percentage (%)
1	<25 Years	20	17.70
2	26-35 Years	67	59.29
3	36-45 Years	13	11.50
4	>46 Years	13	11.50
	Education	Number of people	Percentage (%)
1	D3	10	8.85
2	S1	66	58.41
3	S2	20	17.70
4	Another	17	15.0
	Profession	Number of people	Percentage (%)
1	Government employees	10	8.85
2	Private employees	63	55.75
3	entrepreneur	23	20.35
4	Another	17	15.0

Source: Processed primary data, 2021

The number of respondents in the male as many as 49 respondents (43.36%), female as many as 64 people (56.64%). The dominant number of women shows that women are more interested in buying property as a place to live and as an investment in the future.

The number of respondents under the age of 25 years as many as 20 people (17.70%), 26-35 years as many as 67 people (59.29%), 36-45 years as many as 13 people (11.50%), above 13 people (11.50%). The dominant age from 26-35 shows that customers who buy property are customers who are young and have a good understanding of property and the benefits of buying property.

The number of respondents in D3 education is 10 people (8.85%), S1 is 66 people (58.41%), Master is 20 people (17.70%), the others are 17 people (15%). In addition to the education they currently have because with higher education, customers are able to understand the need to buy property as a place to live or as an investment.

The number of respondents to civil servants as many as 10 people (8.85%), private employees as many as 63 people (55.75%), entrepreneurs as many as 23 people (20.35%), others as many as 17 people (15%). The dominance of private employees shows that private employees need a house as a place to live and for investment needs because private employees have the convenience of buying a house.

4.3 Validity and Reliability Test

The following are the results of validity and reliability testing

Table 2
Variable Validity Test Results

No	Variable	Question	Corrected Items Total Correlation	Sig. (2-tailed)	Information
1	Price	X1.1	0.991	0.000	Valid
2		X1.2	0.991	0.000	Valid
3		X1.3	0.988	0.000	Valid
4		X1.4	0.991	0.000	Valid
5		X1.5	0.982	0.000	Valid
6		X1.6	0.991	0.000	Valid
7		X1.7	0.987	0.000	Valid
8		X1.8	0.986	0.000	Valid
1	Location	X2.1	0.971	0.000	Valid
2		X2.2	0.847	0.000	Valid
3		X2.3	0.962	0.000	Valid
4		X2.4	0.959	0.000	Valid
5		X2.5	0.969	0.000	Valid
6		X2.6	0.956	0.000	Valid
7		X2.7	0.985	0.000	Valid
8		X2.8	0.984	0.000	Valid
9		X2.9	0.897	0.000	Valid
10		X2.10	0.973	0.000	Valid
11		X2.11	0.941	0.000	Valid



12		X2.12	0.941	0.000	Valid
1		X3.1	0.980	0.000	Valid
2		X3.2	0.971	0.000	Valid
3		X3.3	0.972	0.000	Valid
4		X3.4	0.957	0.000	Valid
5	Promotion	X3.5	0.990	0.000	Valid
6		X3.6	0.980	0.000	Valid
7		X3.7	0.974	0.000	Valid
8		X3.8	0.968	0.000	Valid
9		X3.9	0.974	0.000	Valid
10		X3.10	0.963	0.000	Valid
1	Buying decision	Y.1	0.953	0.000	Valid
2		Y.2	0.944	0.000	Valid
3		Y.3	0.896	0.000	Valid
4		Y.4	0.978	0.000	Valid
5		Y.5	0.979	0.000	Valid
6		Y.6	0.962	0.000	Valid
7		Y.7	0.963	0.000	Valid
8		Y.8	0.965	0.000	Valid
9		Y.9	0.974	0.000	Valid
10		Y.10	0.972	0.000	Valid

Source: Processed primary data, 2021

The validity of the test carried out has a value greater than the equation r table (0.361) with a significance below 0.05. Then it can be concluded that the value of the tested validity has been declared completely valid. The following are the results of the reliability test as follows:

Table 3
Variable Reliability Test Results

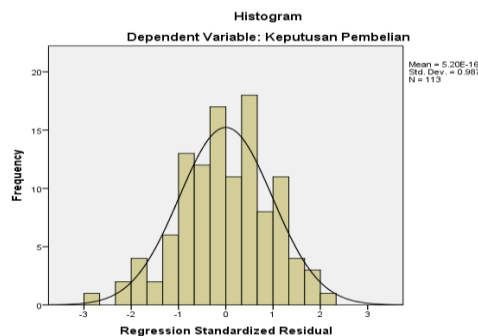
Variable	Cronbach's Alpha	N of Items	Information
Price Variable	0.996	8	Reliable
Location Variable	0.990	12	Reliable
Promotion Variable	0.994	10	Reliable
Purchase Decision Variables	0.992	10	Reliable

Source: Processed primary data, 2021

On *value* Cronbach's Alpha with a value of more than 0.60, has an understanding that all the variables tested have met the reliability criteria.

4.4 Classical Assumption Test Results

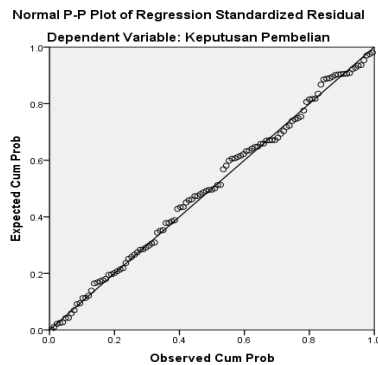
The following tests the classical assumptions of normality, multicollinearity and heteroscedasticity.



Source: Processed primary data, 2021

Fig 1. Histogram Normality Test

The histogram graph model in the figure shows that the data moves parallel to form an inverted U and fulfills the assumption of normality.



Source: Processed primary data, 2021
Fig 2. PP Plot Normality Test

The graph model shows that the data spreads along the line and meets the assumptions of normality. In the next test using statistics using the one sample Kolmogorov Smirnov test

Table 4
 Kolmogorov Smirnov . Normality Test
 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		113
Normal Parameters, b	Mean	.0000000
	Std. Deviation	3.79568131
Most Extreme Differences	Absolute	.051
	Positive	.026
	Negative	-.051
Test Statistics		.051
asyp. Sig. (2-tailed)		.200c,d

- a. Test distribution is Normal.
 - b. Calculated from data.
 - c. Lilliefors Significance Correction.
 - d. This is a lower bound of the true significance.
- Source: Processed primary data, 2021

Based on the results of the Kolmogorov Smirnov one sample test, taking into account the significant value of $0.200 > 0.05$, it is stated that the data has a normal distribution.

Table 5
 Multicollinearity Test
 Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Price	.935	1.069
	Location	.946	1.057
	Promotion	.988	1.012

- a. Dependent Variable: Purchase Decision
- Source: Processed primary data, 2021

From the findings of the evaluation of variables, it can be seen that the price tolerance value is $0.935 > 0.1$, $0.946 > 0.1$ and location, $0.988 > 0.1$ for promotion, while the VIF value for price is $1.069 < 10$, $1.057 < 10$ for location and $1.012 < 10$ for promotion, that is not there is a relationship between all the independent variables studied in this study.

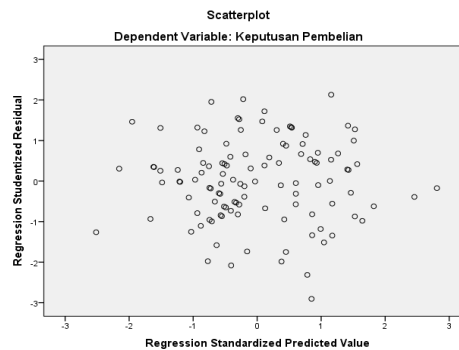


Table 6
Glejser He Heteroscedasticity Test
Coefficients^a

Model		Unstandardized Coefficients		Standardized	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.275	2.050		1.109	.270
	Price	.031	.040	.075	.780	.437
	Location	-.059	.034	-.164	-1,714	.089
	Promotion	.068	.043	.148	1.578	.118

a. Dependent Variable: absut
Source: Processed primary data, 2021

After going through the results of SPSS, each variable has a value greater than 0.05 for its significant value. On the price variable $0.437 > 0.05$, location $0.089 > 0.05$, promotion $0.118 > 0.05$. So it can be given the results that there are no symptoms of heteroscedasticity that occur and meet the criteria of classical assumptions



Source: Processed primary data, 2021
Fig 3. Scatterplot . Heteroscedasticity Test

The test results on the scatterplot graph show that the information is scattered and does not form a regular (random) pattern, so it can be concluded that there are no signs of heteroscedasticity in the details.

4.5 Hypothesis Testing

The following are the results of data analysis, which are obtained from the results of the t test as a result of research on the following variables:

Table 7
Multiple Linear Regression
Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,377	3.522		.675	.501
	Price	.183	.069	.197	2,666	.009
	Location	.213	.059	.266	3.610	.000
	Promotion	.550	.074	.532	7.392	.000

a. Dependent Variable: Purchase Decision
Source: Processed primary data, 2021

$$Y = 2.377 + 0.183 X_1 + 0.213 X_2 + 0.550 X_3 + e$$

The explanation of multiple linear regression above is:

The constant of 2,377 states that the price, location and promotion on purchasing decisions is 2,377 units if it does not exist or is constant. The price coefficient is defined as 0.183 and is positive, which means that the purchase decision of 0.183 will correspond to each increase in the price variable of 1 unit, considering that other factors do not change. The location coefficient value is 0.213 and is optimistic, which means that purchasing decisions can be increased by 0.213 according to each increase in the location variable by 1 unit, considering that other factors do not change. The value of the promotion coefficient is 0.550 and is positive, which means that purchasing decisions will increase by 0.550 according to each increase in the promotion variable by 1 unit, considering that other factors do not change.

The results of the t test can be explained as follows:

At the degrees of freedom (df) = 113-4 = 109, then the t table means the assessment of 0.05 is 1.981. The results of partial theory testing may be as follows:

Testing the price hypothesis partially obtained 2.666 > 1.981 and obtained 0.009 < 0.05, which means Ha is approved and Ho is rejected, that is partially the price has a positive and significant effect on purchasing decisions.

Testing the location hypothesis partially obtained 3.610 > 1.981 and obtained 0.000 < 0.05 which indicates that Ha is approved and Ho is rejected, that is partially location has a positive and significant effect on purchasing decisions.

Testing the promotion hypothesis partially obtained 7.392 > 1.981 and obtained 0.000 < 0.05 which means Ha is approved and Ho is rejected, namely promotion has a positive and significant effect on purchasing decisions.

Table 8
Determination Test
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.665a	.442	.427	3.84756

a. Predictors: (Constant), Promotion, Location, Price

b. Dependent Variable: Purchase Decision

Source: Processed primary data, 2021

This means that 42.7% of purchasing decisions can be clarified by the price, location and promotion variables in the coefficient of determination test results generated with a value of *Adjusted R Square* of 0.427, while the remaining 57.3% is explained by other variables not analyzed in this analysis.

Table 9
F Uji test
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1278,836	3	426,279	28,795	.000b
	Residual	1613,606	109	14,804		
	Total	2892,442	112			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Promotion, Location, Price

Source: Processed primary data, 2021

With degrees df then the value of F_{table} at the 0.05 significance level of confidence is 3.08. The test results obtained the calculated F value (28.795) > F table (3.08) and a significance probability of 0.000 < 0.05, meaning that Ha is accepted and Ho is rejected simultaneously price, location and promotion positive and significant effect on purchasing decisions for Sam City Housing in Mariendal Area, Medan

5. Conclusions

Based on the results of data analysis conducted on Sam City Housing In Mariendal Area, Medan, it can be concluded that the results of the calculation of hypothesis testing where partially price, location and promotion have a positive and significant effect on purchasing decisions at Sam City Housing in Mariendal Area, Medan. The results of simultaneous hypothesis testing obtained the value of $F_{count} > F_{table}$ (28.795) >



(3.08) and the significant probability was $0.000 < 0.05$. means that price, location and promotion simultaneously affect the purchase decision. The magnitude of the coefficient of determination can be seen from the adjusted r square value of 0.442 this means 44.2% of the purchasing decision variables which can be explained by price, location and promotion while the remaining 57.3 is explained by other variables in this study such as marketing, wom and customer relations.

For the Company, it can provide competitive prices so that the company is able to compete with other companies. With affordable prices for customers will be the main consideration. Provide a choice of locations that are easily accessible and strategic in order to attract consumer interest. Choosing a strategic location makes customers really consider the ease of access they have. Increasing the number of promotions carried out to maintain customer interest in buying properties from Samera Propertindo such as providing cashback, shopping vouchers, down payment installments. For further researchers, it can be suggested to examine other variables that influence purchasing decisions such as service quality, product quality, brand image. Further researchers can replace the object of research such as in banking.

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