



## The effect of price, promotion, and location on the purchase decision of subsidized KPR homes in PT. Sarana Persada Karina

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### ABSTRACT

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With the significant increase in urbanization and ongoing population growth, especially in big cities, the need for houses or places to live is increasing. The high demand for housing results in high housing prices. Because limited income can create obstacles for low-income people (MBR), especially people in South Cikarang City who cannot meet their basic needs. So the government offers solutions and opportunities for Low-Income Communities (MBR) through the subsidized Housing Loan (KPR) program to have decent housing at affordable prices. Home Ownership Credit (KPR) at PT. Sarana Persada Karina is currently in great demand by consumers. This is caused by several factors, namely price, promotion, and location on purchasing decisions. The method used is quantitative, the population in this study are consumers who have bought for the last 2 years with a sample of 110 respondents through instrument testing using validity and reliability tests using the Lisrel analysis tool version 8.80. Of all the tests that have been carried out, it has concluded that price, promotion and location have a positive and significant effect on purchasing decisions. Company PT. Sarana Persada Karina as the Developer of the Bumi Cikarang Asri Subsidized KPR Housing can be taken into consideration in order to improve purchasing decisions and increase sales and company objectives.

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### 1. INTRODUCTION

With the significant increase in urbanization and ongoing population growth, especially in big cities, the need for houses or places to live is increasing. The increasing demand for housing results in high housing prices. Currently there are various types of residences, ranging from apartments to flats. However, when compared to renting or buying an apartment, the tendency to buy your own house remains high. However, due to limited income, this will create obstacles for low-income people (MBR) who cannot meet their basic needs, especially the people in South Cikarang City.

Under these conditions, the government offers solutions and opportunities for Low-Income Communities (MBR) through the Subsidized Housing Loan (KPR) program or subsidized housing assistance to have decent housing at affordable prices. The

government provides subsidized assistance to low-income people in the form of reduced down payment costs and a fixed interest rate of 5% for the duration of the loan.

Price is the value of a product or service that has been agreed upon by both parties and is determined by the producer. Sellers or manufacturers will benefit from reasonable prices. According to Khoiriyah and Utomo (2021), Kotler and Armstrong, price is the only component of the marketing mix that generates profit or profits needed for the survival of a company. In addition, it is explained in (Nasution, Limbong, and Ramadhan, 2020) that the cost incurred for something is the price determined by the customer or buyer. Price, on the other hand, is one of the many revenue-generating components for a business (Sudartono & Saepudin, 2020). From these results, it is known that one of the factors that influences people to obtain goods that are considered a necessity is the price, if the price of the product is affordable by the community, the community will use it.

Promotion is the next factor that is considered capable of providing information or introducing a product to potential customers. The purpose of the promotion itself is so that the products offered by manufacturers can change the way buyers view the goods offered. The hope is that after the promotion is carried out, customers who were not interested in owning the item will become interested and want to buy the product offered. Promotion is communication that is part of marketing where the company tries to provide extensive information, influence and persuade the target market of the company's products to want to buy and accept the company's offer (Sri Wdyanti Hastuti & Annasrulloh, 2020). A very attractive promotional design can attract interest in making purchases because there are already the lure of profits to be obtained. Especially now that the incessant use of digital marketing can affect consumers, and the use of e-commerce in promotions can make it attractive to consumers (Fadhli, Magfiroh, 2021).

The place where a business operates or carries out activities to produce goods and services that are economically significant is known as its location. To help customers make better buying decisions, businesses need to find out where the homes they are selling will be located. Customers will be able to fulfill their needs in various convenient ways in strategic locations that are easy to reach, have good road conditions, are close to public facilities, and are close to workplaces. It is necessary to pay attention to aspects of the comfort of the owner's environment and the strategic location of housing (Mardiani et al., 2020). One of the most important aspects of the competition to get people to buy a home is location.

Purchasing decision is a final decision made by a consumer to buy an item or service by considering various considerations beforehand. (Aprisal, 2017 in Elwin Frandika Sembiring & Sunargo, 2022) Purchasing decisions are problem-solving processes by analyzing needs and desires, seeking information, evaluating or choosing alternative options, buying, making purchasing decisions, and finally consumer behavior after making a purchase. Sri Wdyanti Hastuti & Anasrulloh (2020) defines decision-making as the process of choosing one option from a variety of options and expecting the best outcome. According to (Schiffman, 2015: 120) from Imelda Aprileny, Inka Imalia, and Jayanti Apri Emarawati (2021) the definition of a decision is that it is an action that involves a number of different choices or more. There should be other options available for customers to choose from.

## 2. RESEARCH METHOD

This research is a scientific work that examines "The Influence of Price, Promotion, and Location on the Buying Decision of Subsidized KPR Houses at PT Sarana Persada Karina". This is an interesting thing because there is a lot of competition for subsidized housing with various prices, promotions, locations as a competitive advantage at this time.

This type of research is quantitative, according to Sugiyono (2018: 8) quantitative research is: "The research method is based on the philosophy of positivism, used to research certain populations or samples, collect data using research instruments, data analysis is quantitative or statistical, with the aim of test the hypothesis that has been set ". Quantitative research is used to examine certain populations or samples where research takes samples from a population. Then the research will be conducted at PT. Sarana Persada Karina with the consumer population of Bumi Cikarang Asri housing and the sample to be taken is 110 respondents. Data processing will be carried out using the Lisrel 8.80 data processing application with the data collection method using a questionnaire distributed to respondents using the Google form application with a Likert scale of 1-5. In this study there were 4 (four) variables consisting of 3 (three) independent variables and 1 (one) dependent variable. The first independent variable is Price which is denoted by (X1). The second independent variable is Promotion which is denoted by (X2). The third independent variable is the denoted Location (X3). The dependent variable is the Purchase Decision denoted (Y).

The model used in this study is a model of influence and causality. To test the hypothesis in this study, the analytical technique used is Structural Equation Modeling (SEM). Where in this model allows a researcher to answer dimensional questions by measuring what are the indicators of a concept and measuring the influence or degree of relationship between factors whose dimensions have been identified. Several analysis steps were carried out using the Lisrel application.

Step 1: Formulating the Model, namely confirming the formulation of the Research Hypothesis structure through the use of SEM analysis that has been formulated based on certain studies or previous research. Step 2: Make a Path Diagram by drawing or compiling a complete diagram which is called in Lisrel is the Basic Model. Step 3: Formulate Structural Equation Measurements after the Path Diagram has been successfully created, the next step is to convert the Path Diagram into an equation form, namely measurement of exogenous latent variables, measurement equations for endogenous latent variables and structural equations. Step 4: Select Input Data and Model Estimation. After measuring equations, the next step is to estimate SEM statistics with the input data used in the form of a Covariance matrix which will always be expressed in standardized units whose values are -1.00 and +1.00. After the input data has been selected, the next step is to estimate the model according to selecting the computer program to be used. Step 5: Model Identification, namely by knowing whether the model used can produce a unique estimate or not, and the condition is that the model is just identified and over identified. A model can be said to be just identified if the model has degrees of freedom equal to zero, and is said to be over identified if the degrees of freedom are greater than zero. Step 6: Model Suitability Test based on the Simultaneous test that will be carried out and partial testing, namely the T test. Through the test results with a statistical path diagram (PTH) with the designation t-value, results will be displayed with a test error rate of 0.05. And for test results that are not significant, they will be marked with red lines and numbers. After that, a model suitability test was carried out with the Goodness of Fit Test (GOF) analysis which consisted of three provisions, namely absolute, comparative and parsimony. Then the final step will be carried out, namely Step 7: Model Interpretation and Modification, namely making statistical explanations and research conclusions that have been carried out using the Lisrel application. Its purpose is to answer research problems and identify research results that have been obtained.

3. RESULTS AND DISCUSSIONS

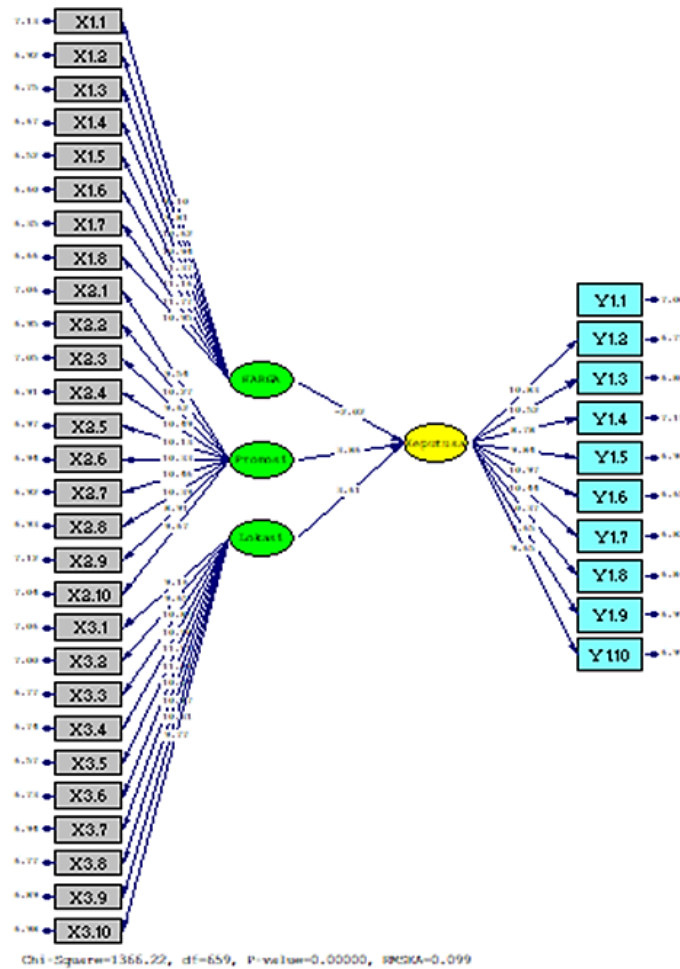


Figure 1. Full Hybrid SEM model  
 Source: Results of Data Processed by Lisrel 8.88, 2023

According to the results of the data processing above, there are eight conformity measures obtained that have a good fit measurement model fit index, namely RMSEA, NNFI, NFI, RFI, IFI, CFI. And Marginal fit is GFI, and AGFI. And the results of data processing also show that all indicators of the formation of exogenous latent variables from the four variables, all have good validity because all indicators have a Standardized Loading Factor (SLF)  $\geq 0.5$  or a tcount value  $\geq 1.96$  (Hair, et.al. , 2010). Seen in figure 1, there are 3 lines that are colored black, and are summarized in table 1 below:

Table 1 Significance between Variables					
No	Structural Pathway	Coef	tvalue	t <sub>kriteria</sub>	Test Results
1	Price $\square$ Purchase Decision	-0.37	-2.02	1.96	Significant
2	Promotion $\square$ Purchase Decision	0.87	3.86	1.96	Significant
3	Location $\square$ Purchase Decision	0,48	3.61	1.96	Significant

Source: Results of Data Processed by Lisrel 8.88, 2023

From the results of data processing that has been carried out using the Lisrel 8.80 data processing application, there are 3 significant structural paths, including;

The results of data analysis using statistical tests proved that the magnitude of the path coefficient of the Prices variable on Purchasing Decisions was shown to exaggerate the path coefficient of the Prices variable on Purchase Decisions by -0.37 with a tcount value of  $-2.02 > 1.96$ , so it can be said to be significant. The magnitude of the path coefficient indicates that the magnitude of the influence of prices on purchasing decisions is  $(-0.37)^2 = 0,13$  %.

The results of data analysis using statistical tests proved that the magnitude of the path coefficient of the Promotion variable on Purchasing Decisions was shown to exaggerate the path coefficient of the Promotion variable on Purchase Decisions by 0.87 with a tcount value of  $3.86 > 1.96$ , so it can be said to be significant. The magnitude of the path coefficient indicates that the magnitude of the influence of promotion on purchasing decisions is  $(0.87)^2 = 0.75$  %.

The results of data analysis using statistical tests proved that the magnitude of the path coefficient of the Location variable on Purchasing Decisions was shown to exaggerate the path coefficient of the Location variable on Purchase Decisions by 0.48 with a tcount value of  $3.61 > 1.96$ , so it can be said to be significant. The magnitude of the path coefficient indicates that the magnitude of the influence of Location on purchasing decisions is  $(0.48)^2 = 0.23$  %.

#### 4. CONCLUSION

Based on the analysis and discussion above and the purpose of this study, namely to determine the effect of price, promotion, location on purchasing decisions for subsidized mortgage housing with a case study of Bumi Cikarang Asri Housing Consumers, the following conclusions can be drawn: The results of the partial or individual research variable Price (X1) have a positive and significant effect on the KPR Decision to Purchase Subsidized Housing in Bumi Cikarang Asri. The results of the partial or individual research variable Promotion (X2) have a positive and significant effect on the Purchase Decision for Subsidized KPR Bumi Cikarang Asri Housing. The results of the study partially or individually variable Location (X3) have a positive and significant effect on the Purchase Decision for Subsidized KPR Bumi Cikarang Asri Housing. The limitation of the problem in this study is that the number of respondents is only 110, of course it is still insufficient to describe the real situation. Furthermore, in the data collection process, the information provided by respondents through questionnaires sometimes did not show the actual opinions of respondents, this happened because sometimes different thoughts, assumptions and understandings were different for each respondent, as well as other factors such as the factor of honesty in filling out the respondents' opinions in the questionnaire. Suggestions for future researchers should be able to consider adding variables or looking for other variables that will later get new research that can later influence the Purchase Decision for Subsidized Housing KPR Bumi Cikarang Asri.

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