FACTORS OF PURCHASING DECISIONS OF CONSUMERS OF BLUKID RESIDENCE 3 HOUSING IN SIDOARJO

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*Abstract-*This study aims to find out and analyze what factors consumers consider in making the decision to buy a house in Blukid Residence 3 Housing. The object studied in the study was Blukid Residence 3 Housing located in the city of Sidoarjo, East Java. In 2019 marketing experienced a decline in interest in site visits, resulting in a decline in sales in our housing. The method used in this study is a quantitative method. Researchers used Confirmatory Factor Analysis (CFA) to analyze the data. This research was conducted at Blukid Residence 3 Housing located in Sidoarjo with a sample of 97 respondents.

Keywords: Amenities, Price, Promotions, Location, Purchasing Decision

1. Introduction

Property companies or Real Estate are services that provide residential areas and promise security for consumers with various types of housing units. Blukid Residence 3 Sidoarjo housing was launched in 2018, built by developer Graha Agung Kencana Group which has been established since 2001 with a total of 172 housing units. Competition with competitors and a decrease in interest in location visits in February 2022 resulted in a decline in sales. Therefore, researchers conducted pre-surveys with questionnaires and focus discussion groups on consumers, potential consumers, and head offices. Results show 76% facility consideration, 91% price, 85% promotion, and 78% location. This phenomenon initiated a study to determine the purchasing factors of consumers of Blukid Residence 3 housing in Sidoarjo.

2. Literature Review

2.1 Previous Research

Research by Pangemanan et al., (2020) showed that financial, product, and location benefits improve purchasing decisions. Basuki's research (2019) showed that the location, facilities, security, credibility of area developers, public facilities, and design influence the purchase of apartment units. Research by Pebriyanto (2019) showed that facilities and investment value have a significant effect on purchasing decisions. Sundrani research (2018) found that price, product, and location are significantly the most important factors for real estate buyers.

2.2 Theoretical Foundations

2.2.1 Facilities

According to The Law of the Republic of Indonesia No. 1 of 2011 concerning "Housing and Settlement Areas" Article 1 subsection (22), facilities are facilities in a residential environment that function to support the implementation and development of social, cultural and economic life. Indicators of facilities (Widyastuti and Handayani 2013) are: (1) Social facilities; (2) Good infrastructure facilities; (3) Religious facilities; (4) Transportation facilities.

2.2.2 Price

According to Venessa & Arifin (2017) said that the definition of price is a monetary unit that becomes an exchange rate in the form of money so that it can be a benchmark for the value of owning a certain item. Price indicators are: (1) Affordability; (2) Price Suitability; (3) Price competitiveness; (4) The suitability of prices to benefits; (5) The existence of attractive discounts.

2.2.3 Promotion

Promotion is an activity of the company that has the aim of getting the attention of customers, so that customers are interested in trying the products offered from the company (Suherman and Hongdiyanto 2020). Promotion indicators according to Suherman and Hongdiyanto (2020) are: (1) Housing provides attractive sales promotions for consumers; (2) Attractive advertising; (3) Customer Service has good product knowledge and persuasion; (4) Cash back.
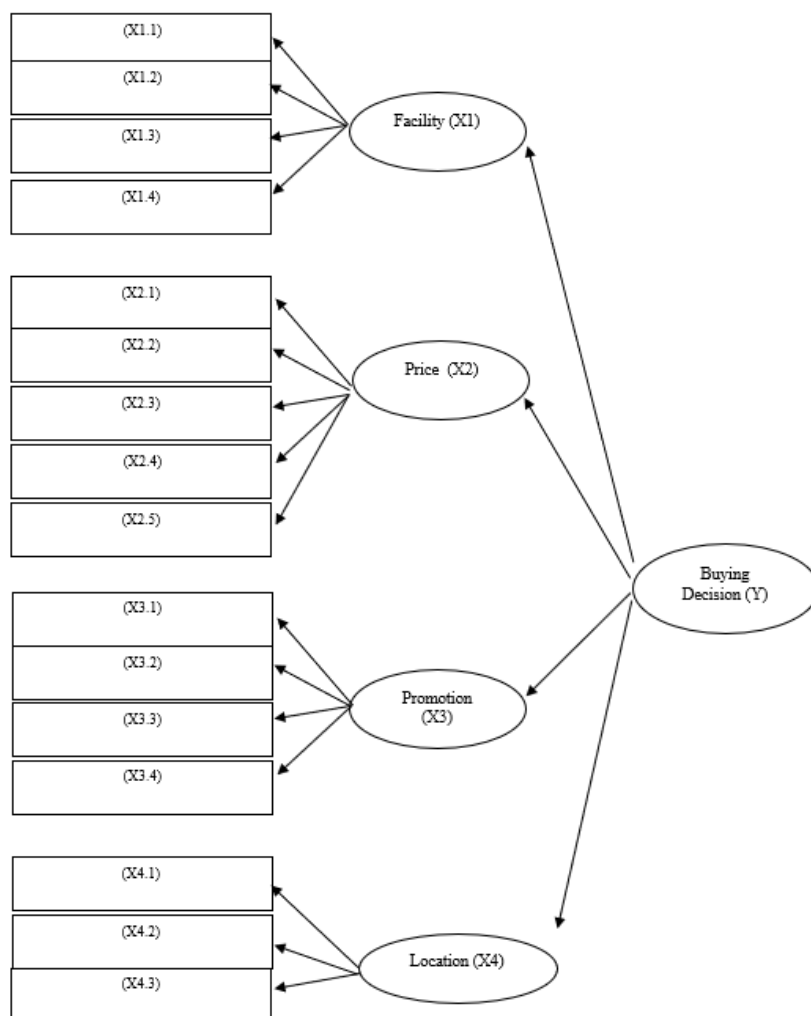
2.2.4 Location

According to Atmanegara (2019) the location is where the company operates or where the company carries out activities to produce goods and services that attach importance to its economic aspect. According to Atmanegara (2019) indicator locations include: (1) Strategic locations; (2) Location close to supporting facilities; (3) The location has easy access.

2.2.5 Purchasing Decisions

Amilia (2017) emphasized that purchasing decisions are the behavior of consumers in finding, dividing, evaluating, and interrupting a product or service that consumers need to achieve their satisfaction. According to Sanjaya (2015) the indicators of purchasing decisions are: (1) Fulfillment of needs; (2) Consideration of purchase; (3) There are alternatives; (4) Choice of housing products; (5) The right choice for housing products.

3. Research Framework

3.1 Analysis Models

Figure 3. 1 Research Analysis Model
Source: Data processed (2021)

4. Research Methods

4.1 Types of Research, Samples, and Data Collection

This research is quantitative. The study population is all consumers who are interested in buying a house in Sidoarjo. Data collection through questionnaires and measured on a Likert scale of 1-5. The research sample using purposive sampling technique amounted to the following:

$$n = Z \quad \frac{2}{4 \times (Moe)2} \qquad n = \frac{1.96}{4 \times (0.1)^2}^{2}$$

n= 96.04 rounded to 97

4.2 Operational Variables and Definitions

Variable	Conceptual Definition	Indicators	Iterm Questionnaire Questions	Source
Facilities (X1)	Facilities are divided into two, namely social facilities and public facilities	1. Social facilities 2. Good infrastructure facilities 3. Religious facilities	1. Blukid Residence 3 Sidoarjo has social facilities 2. Blukid Residence 3 Sidoarjo housing has the appropriate infrastructure.	Erni Widiastuti and SWE Handayani (2013). (Taşkın,

	including infrastructure, educational facilities, religion, health, transportation facilities and others. The existence of facilities builds and attracts the interest of consumers.	4. Transportation facilities	3. Blukid Residence 3 Sidoarjo housing has religious facilities 4. Blukid Residence 3 Sidoarjo housing has transportation facilities	Karadama, and Ozturk 2018)
Price (X2)	According to Arifin (2017), the definition of price is a monetary unit that becomes an exchange rate in the form of money so that it becomes a benchmark for the value of owning a certain item.	1. Affordability Price 2. Price Suitability 3. Price competitiveness 4. Price conformity to benefits 5. Attractive discounts	1. The price of Blukid Residence 3 Sidoarjo Housing products is affordable 2. The price of Blukid Residence 3 Sidoarjo Housing products is in accordance with the quality of the product 3. The price of Blukid Residence 3 Sidoarjo Housing products competes with other housing products 4. The price of the Blukid Residence 3 Sidoarjo Housing product is in accordance with the benefits I received 5. Blukid Residence 3 Sidoarjo Housing Products provide discounts to customers	Arifin (2017),
Promotions (X3)	Promotion is an activity of the company that has the aim of getting the attention of customers, so that customers are interested in trying the products offered from the company (Suherman and Hongdiyanto 2020).	1. Housing Provides Sales Promotions Attractive to Consumers 2. Attractive advertising 3. Customer Service has good product knowledge and persuasion 4. Cash back	1. Sales Sales Promotion Housing Blukid Residence 3 Sidoarjo caught my attention 2. Blukid Residence 3 Sidoarjo Housing Advertisement caught my eye 3. Blukid Residence 3 Sidoarjo Housing customer service helps me in choosing the product I want. 4. Blukid Residence 3 Sidoarjo housing provides attractive cash back	Suherman and Hongdiyanto (2020), (Moraes, Iizuka, and Pedro 2018)
Location (X4)	Location is where the company operates or where the company carries out activities to produce goods and services that attach importance to its economic aspects	1. Strategy location 2. Location close to supporting facilities 3. Location has easy access	1. Blukid Residence 3 Sidoarjo Housing Products are in a strategic location. 2. The residential location of Blukid Residence 3 Sidoarjo is close to supporting facilities such as health and transportation, schools 3. The residential location of Blukid Residence 3 Sidoarjo is easily hit	Atmanegara, (2019), Rofiq and Hurfon, (2018), Murshid et al., (2016),(Alberto, González, and Kobylińska 2019)

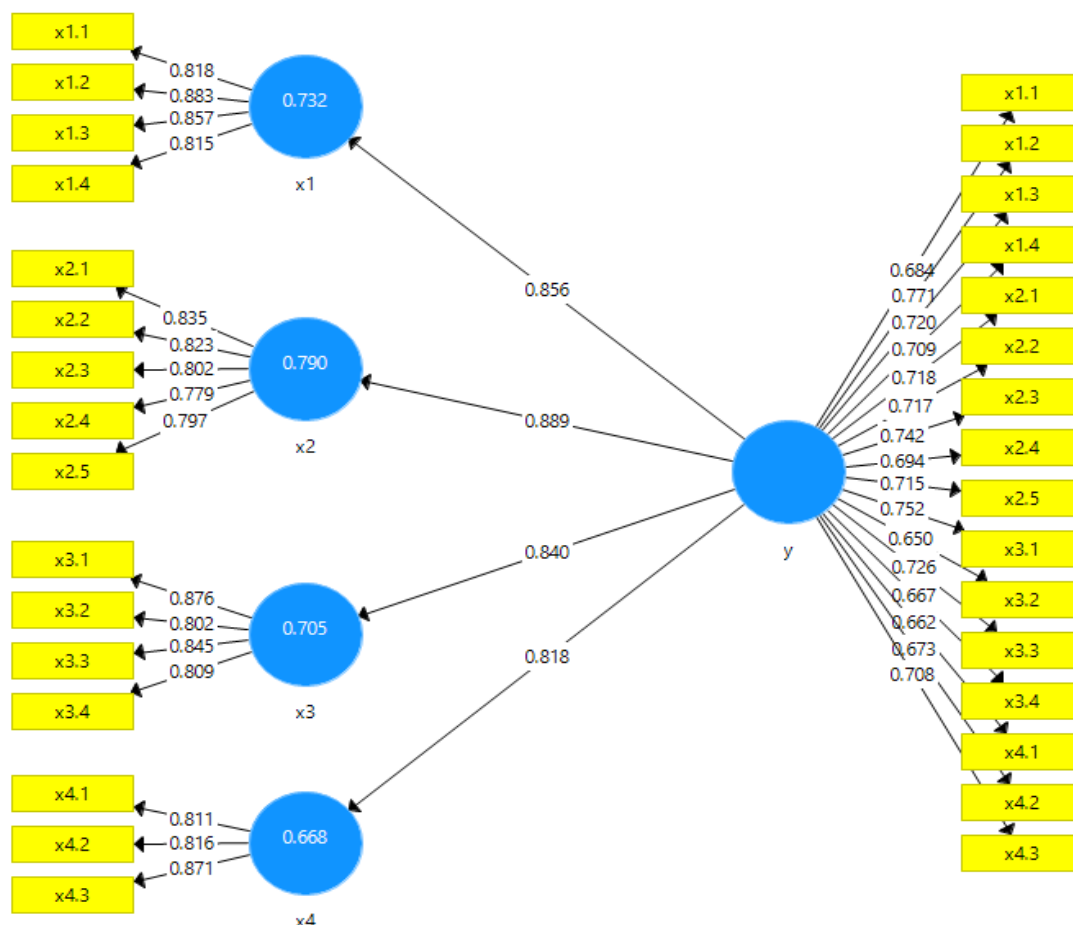|	(Atmanegara, 2019).			

5. Results and Discussion

5.1 Analysis

5.1.1 Characteristics of Respondents

Respondents were dominated by men at 54 or 55.7%. The highest age group of 31-40 years was 41 or 42.5%. The highest domicile in Sidoarjo was 80.4%. The most jobs were entrepreneurial at 58.8%. The highest revenue range per month is 6-10 million at 41.2%. The highest frequency of visits in one year is 1-2 times by 74%.

5.1.2 Description of Research Variables

The mean value of the facility attribute variable is 4,059, which means that the majority of respondents categorically agree. The mean value of the price attribute variable is 4.04 which means that the majority of respondents categorically agree. The mean value of the promotion attribute variable is 4.04, which means that the majority of respondents categorically agree. The mean value of the location attribute variable is 4.04 which means that the majority of respondents categorically agree. The mean value of the purchasing decision attribute variable is 4.04 which means that the majority of respondents categorically agree.

5.1.3 First Order Confirmatory Factor Analysis

Figure 5.1 PLS Analysis Model
Source: Data Processed (2021)

1. **Test the Validity of Loading Factor and Average Variance Extracted**

Table 5.1 Loading Factor Test Values

	x1 (Facilities)	x2 (Price)	x3 (Promotion)	x4 (Location)
x1.1	0,818			
x1.2	0,883			
x1.3	0,857			
x1.4	0,815			
x2.1		0,835		
x2.2		0,823		
x2.3		0,802		
x2.4		0,779		
x2.5		0,797		
x3.1			0,876	
x3.2			0,802	
x3.3			0,845	
x3.4			0,809	
x4.1				0,811
x4.2				0,816
x4.3				0,871

Source: Data Processed (2021)

The test results showed that the indicator had a value in above of 0.7 so it was declared valid.

Table 5. 2 Average Variance Extracted Test Value

Variable	Average Variance Extracted (AVE)
Facility Attributes (X_1)	0.712
Price Attribute (X_2)	0.652
Promotional Attributes (x_3)	0.695
Location Attribute (x_4)	0.694
Purchasing Decision (Y)	0.501

Source: Data Processed (2021)

The test results show that the AVE value is above 0.5 so it is declared valid.

2. **Cross Loading Validity Test**

Table 5. 3 Cross Loading Test Values

	x1	x2	x3	x4
x1.1	0,818	0,532	0,497	0,465
x1.2	0,883	0,619	0,511	0,609
x1.3	0,857	0,624	0,459	0,478
x1.4	0,815	0,542	0,513	0,544
x2.1	0,52	0,835	0,494	0,542
x2.2	0,573	0,823	0,484	0,502
x2.3	0,608	0,802	0,503	0,574
x2.4	0,511	0,779	0,547	0,466
x2.5	0,563	0,797	0,575	0,428
x3.1	0,509	0,586	0,876	0,608
x3.2	0,432	0,515	0,802	0,462
x3.3	0,555	0,533	0,845	0,555
x3.3	0,555	0,533	0,845	0,555
x3.4	0,453	0,512	0,809	0,507
x4.1	0,542	0,529	0,45	0,811
x4.2	0,426	0,544	0,585	0,816
x4.3	0,587	0,486	0,568	0,871

Source: Data Processed (2021)

The results show that the cross-loading value of each indicator that forms a variable is greater than the cross-loading value of other variables so it meets discriminant validity.

3. Cronbach's Alpha Reliability Test

Table 5. 4 Cronbach's Alpha Test Scores

Variable	Value	Information
Facility Attributes (X_1)	0,865	Reliable
Price Attribute (X_2)	0,867	
Promotional Attributes (x_3)	0,853	
Location Attribute (x_4)	0,779	

Source: Data Processed (2021)

All research variables showed cronbach's alpha value above 0.70, so it was declared reliable.

4. Composite Reliability Reliability Test

Table 5. 5 Composite Reliability Test Value

Variable	Value	Information
Facility Attributes (X_1)	0,908	Reliable
Price Attribute (X_2)	0,904	
Promotional Attributes (x_3)	0,901	
Location Attribute (x_4)	0,872	

Source: Data Processed (2021)

All research variables show a composite reliability value above 0.70, so it is declared reliable.

5.1.4 Second Order Construct

1. Path Coefficients

Table 5. 6 Path Coefficients Value

Variable	T-statistics	Information
Facility Attribute(x_1) -> Purchasing Decision (Y)	22,752	Significant
Price Attribute (x_2)-> Purchasing Decision (Y)	35,118	
Promotion Attributes (x_3)-> Purchasing Decision (Y)	30,518	
Location Attribute (x_4)-> Purchasing Decision (Y)	23,524	

Source: Data Processed (2021)

The test results show that the resulting T-statistics value is greater than 1.96, so it can be concluded that significantly all attributes or independent variables make up the consumer's purchasing decision.

5.2 Discussion

5.2.1 Facility Attributes Shape Purchasing Decisions

The results showed that facility attributes shape consumer purchasing decisions in Blukid Resident consumers. It means that the better the attributes of the facilities of a product, the more it increases consumers' purchasing decisions. Based on the description of the answer as much as 76% of respondents are interested in housing that has facilities to support consumer needs.

5.2.2 Price Attributes Shape Purchasing Decisions

The results showed that the price attribute builds the purchase decision of Blukid Residence 3 Sidoarjo Housing products. This means that the better the price attribute of a product, the more it increases consumers' purchasing decisions. Around 60% of Surabaya residents buy property in the city of Sidoarjo, because the price of house property in Surabaya is getting higher (Bappeda 2019).

5.2.3 Promotional Attributes Shape Purchasing Decisions

The results showed that the promotion attributes of building the purchase decision of Blukid Residence 3 Sidoarjo housing. It means that the better the promotional attributes of a product, the greater the impact on consumer purchasing decisions. The average respondent for the promotion attribute variable answered in agreement.

5.2.4 Location Attributes Shape Purchasing Decisions

The results showed the attributes of the location to build the decision to buy Blukid Residence 3 Sidoarjo housing. It means that the better the location of a product, the more consumers' purchasing decisions increase. The average respondent for the location attribute variable answered in agreement.

5.3 Managerial Implications

Table 5. 7 Table of Managerial Implications

Topic	Before Research	Managerial Implications
Facilities	Provision of limited facilities	Provision of religious facilities and public facilities such as mosques, churches, temples, schools, markets
Price	1. The majority of respondents agree that the price of the house offered should be affordable 2. The majority of respondents agree that house prices should be adjusted to the quality of the buildings offered 3. The majority of respondents agreed that the price of housing units in the new cluster of Graha Sampurna Indah should be competitive and in accordance with the market. 4. The majority of respondents agreed that the price of the house offered must match the facilities to be obtained	1. Setting house prices taking into account affordable selling prices 2. Setting house prices by adjusting the quality of building materials to be used 3. Set prices according to other competitors who are 5 km away from the residential location so that prices can compete competitively. 4. Set prices in accordance with the consideration (Fasum) of residential public facilities that will be provided to consumers.
Promotion	1. The majority of respondents agree that the Blukid Residence Sidoarjo Housing Advertisement can attract the attention of consumers 2. The majority of respondents agreed that the sales promotion of Blukid Residence 3 Housing can attract the attention of consumers. 3. The majority of respondents agree that the customer service of Blukid Residence 3 Housing can help consumers to choose products that suit consumer needs.	1. Management must continue to provide the best advertisements in order to make consumers always look forward to the latest promotional advertisements provided by Blukid Residence 3 Sidoarjo Housing. 2. Management must conduct training every month to sales promotions in order to get more attention from consumers 3. Management needs to conduct training to customer service so that it can always help consumers to choose home products that are suitable for consumers' needs.
Location	1. The residential location of Blukid Residence 3 Sidoarjo is close to supporting facilities such as health and transportation, schools 2. Blukid Residence 3 Sidoarjo residential location is easily affordable	1. Management builds clusters with easy location access so that it can attract buying interest from millennial generation consumers and working consumers. 2. Management needs to determine the right field firing test for the location to be built a new housing cluster so that the location is free from traffic jams, so

	3. The residential location of Blukid Residence 3 Sidoarjo is in the center of Sidoarjo	that it can attract millennial generation consumers as well as working consumers. 3. Management must develop new cluster housing developments with locations with city centers in order to bind both millennial and working consumers.

Source: Data Processed, 2021.

6. Conclusions and Suggestions

6.1 Conclusion

1. The facility factor is a consideration in consumers' decision to buy a house at Blukid Residence 3 Sidoarjo

2. The price factor is a consideration in consumers' decision to buy a house at Blukid Residence 3 Sidoarjo

3. The cash back promotion factor is a consideration in consumers' decision to buy a house at Blukid Residence 3 Sidoarjo

4. The location factor is a consideration in the consumer's decision to buy a house at Blukid Residence 3 Sidoarjo

6.2 Suggestion

6.2.1 For Housing Business People

1. Establish strategies related to facility development, pricing, promotion, and the environment to meet consumer needs.

2. Improving the hooked aspects of facilities, pricing, promotion, and the environment to meet consumer needs

3. Gradually evaluate the strategy of facilities, prices, promotions, and the environment so that it always meets the expectations of the target market consumers.

6.2.2 For Further Research

1. In further research, qualitative methods can be used by conducting interviews. So, the information obtained is more in-depth.

2. Further research can use different indicators on the attribute variables of housing purchase decisions.

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