

Difference Influence of Price, Facilities, Location, Promotion and Income on Decision to Purchase Subsidized House in Green Leyangan 2 and Jepara Indah Regency Residences

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Abstract

Home or residence is one of the main elements for human to be able to survive. The purpose of this study was to identify the effect of price, facilities, locations, promotions, and income on the decision to purchase subsidized house in Green Leyangan 2 and Jepara Indah Regency residences and the difference of the influence between the two housings. This study used primary and secondary data with quantitative approach. The sample was withdrawn from the total subsidized homeowners in both housings amounted 164 using the rule of thumb of minimum 5 respondents for each variable. The total of 25 respondents were thus obtained from respectively those in Green Leyangan 2 and those in Jepara Indah Regency or totally 50 respondents. The questionnaire was distributed once the permission from the developer had been obtained. Price, facilities, locations, promotions, and income were proved to affect the decision to purchase subsidized house in both residences. There is a significant difference in the factors affecting the decision to purchase subsidized houses in Green Leyangan 2 and Jepara Indah Residences.

Keywords: prices, facilities, location, promotion, income, purchase decisions.

INTRODUCTION

A house or residence is one of the main elements humans need to survive. A good house will influence the quality of life and character of the people who live in it. Along with the times and the increasing growth of human needs, house ownership is increasingly limited due to for example land limit and higher price. The need for houses continues to increase along with rapid population growth and a fairly significant rate of economic growth (Hidayati and Harjanto, 2003).

Based on the Statistics of Indonesia, the Indonesia's population is estimated to be approximately 284 million people in 2025. The larger population means more families need and want a house for their shelter. As more lands have been used to build houses, the availability of lands is getting limited. This makes house price even higher. The problem occurs as income of most Indonesians is still in the level of regional minimum wage that makes people are difficult to own a house especially if they have to pay at once.

In urban areas, housing needs have not been adequately met. The Ministry of Public Works released the data about homeownership backlog in Indonesia showing that 13.6 million households did not own a house in 2010. In 2015, the number decreased in 11.7 million households and became 12.7 million in 2023. In Central Java, the number of homeownership backlogs in 2010 was 1.01 million and became 785,061 in 2015 (ppdpp.id, 2021). Even though the percentage of homeownership backlog reduction is low and houses built is still low, the government's attention especially to urban communities with low incomes is still necessary. High price of land and construction materials, components, and elements have encouraged the government to introduce the concept of modest housing (*Rumah Sederhana*, RS) or highly modest housing (*Rumah Sangat Sederhana*, RSS) supported with subsidized home ownership loan (*Kredit Kepemilikan Rumah*, KPR).

With the increasing growth of population in Semarang City, the need of house for the residents who will live in city is also increasing. According to the Statistics of Indonesia, the population of Semarang reached 1,681,058 people in 2021. Compared the number of population and the area of city amounted 378,800 square kilometers, new areas around Semarang city occurred to accommodate people's housing needs. These new areas are suburban functioned as buffer areas which include sub-districts in Semarang Regency that directly border the administrative area of Semarang City. One of these sub-district areas is

East Ungaran District located in southern of Semarang City. This district that is not far from Semarang City still provides a very large area of land and thus makes it a very important area for the development of Semarang City. Having high potential areas, this district is seen by investors to have good opportunity for developing a housing complex.

PT. Hanzicha is an investor who takes this opportunity by developing two modest housing residences: Jepara Indah Regency and Green Leyangan 2. Home sales at Jepara Indah Regency showed a significant level sales with an increase by one unit every month (PT. Hanzicha, 2022). The Green Leyangan 2 that consists of 208 units of house is a modest housing complex that was developed with subsidies for public and social facilities from the government through the Ministry of Public Housing.

Even though the two residences show similarities, but occupancy level is the most striking difference. The number of units built in Green Leyangan 2 is higher than those in Jepara Indah Regency. However, fewer houses were sold at Jepara Indah Regency than at Green Leyangan 2 Housing. It is suspected that there are various factors that influence people in deciding to purchase subsidized housing units, such as price, design, location, in house facilities, social facilities and infrastructure, and promotions carried out by the developer.

The research's purpose is to know what factors influence people in buying subsidized housing in Green Leyangan 2 dan Jepara Indah Regency. More specifically, this research aims to identify the influence of price, facility, location, promotion, and income on the decision to purchase subsidized housing in Green Leyangan 2 and Jepara Indah Regency and analyze whether there are differences in the factors influencing the decision to purchase subsidized house in both residences.

METHODS

The research used primary and secondary data. The primary data was obtained through questionnaire with closed questions directed to the subsidized house owners in Green Leyangan 2 and Jepara Indah Regency amounted 164 in total comprising 91 in Green Leyangan 2 and 73 in Jepara Indah Regency. The sample was determined based on the rule thumbs minimum 5 respondents for each variable to meet the minimum sample size requirements. With 5 variables used in this research (price, facilities, location, promotion, and income), the number of sample is thus 25 respondents in each residence or total 50 respondents from Green Leyangan 2 and Jepara Indah Regency. The permission from the developer was needed to access the residences. Once the permission is accepted, the questionnaire was distributed to the home owners.

Descriptive analysis was used to determine the average score of responses on each statement of respectively price, facility, location, promotion, income, and house purchase decision. MS Excel was the tool used to determine the average score of responses. The scores were then used to calculate the average score which will be included in the interval group.

The data analysis technique was a discriminant analysis. According to Sugiyono (2017: 305), like regression, discriminant also has a model that enables to measure the influence of the independent variables on the dependent variable. Meanwhile, multiple linear regression analysis was to test whether there is an influence between one variable and another expressed in the form of a mathematical equation.

RESULTS

Description of the residences

Green Leyangan 2 is located in Leyangan Village, East Ungaran District, Semarang Regency, Central Java. The type of subsidized house in Green Leyangan 2 is 30/60, which means there 30m² of building area on the area of 60m². This residence was developed by PT. Hanzicha.

Jepara Indah Regency is located in Mayong District, Jepara Regency. This residence that is also managed by PT. Hanzicha offers several advantages, including comfortable house, close to the workplace (Mayong industrial area) and gas stations, free of flood, best view of the sunrise. It is also located close to the main road and has a one-gate system. Jepara Indah Regency has a residential type 36/72, which means it has a building area of 36m² with a land area of 72m².

Description of the respondents

Of the total 50 respondents, 66% were male and 34% were female. The largest number are those who are aged 25-30 years old (30%) and followed by those who aged 31-35 years old (26%). The average income was 2-4 million rupiah (68%). Majority (78%) had been married, 38% had a bachelor's degree and 92% bought subsidized house by credit.

The data analysis

Descriptive analysis on price resulted in the total average score 3.38. This means that according to the buyers, price of subsidized houses in di Green Leyangan 2 dan Jepara Indah Regency is considered as very suitable. The total average score of facility is 3.46 meaning that

facility is considered as good by the buyers of Green Leyangan 2 and Jepara Indah Regency. The total average score of location is 3.25 which means that the location of Green Leyangan 2 and Jepara Indah Regency is thoughtfully in a prime location. Referring to the total average score of promotion amounted 3.65, it can be stated that buyers of subsidized house in Green Leyangan 2 and Jepara Indah Regency is considerably good. Similarly, income of buyers of subsidized house in Green Leyangan 2 and Jepara Indah Regency is believed as good. This is indicated by the total average score that is 3.43.

The normality test found that the residual value for each variable was normally distributed (significance value > 0.05). There was no multicollinearity between the five variables, which is indicated by tolerance values of each variable >0.1 (price is 0.311; facilities 0.324; location 0.405; promotion 0.627; and income 0.771). No multicollinearity is also evident from VIF value of each variable that is <10. The Manova test measuring homogeneity of the variance and covariance matrices resulted in a Box's M value of 9.980 with a significance of 0.536. This result assumes that H_0 is accepted with a significance value of 0.536 (>0.05), which states that the variance covariance matrix is homogeneous.

Based on the results of the discriminant test carried out using Wilks' λ , an equation could be formed as follows:

$$D = -10.124 + 2,159X_1 + 0,933X_2 - 2,498X_3 + 2,058X_4 - 0,786X_5$$

Based on the multiple linear regression analysis, the following regression equation is obtained

$$Y = 0.568 + 0.885 X_1 + 0.586 X_2 + 0.126$$

Briefly, the results of the independent sample t test calculation for the two groups indicates that there is a difference between Green Leyangan 2 and Jepara Indah Regency.

CONCLUSION

Price, facilities, location, promotion and income influence the decision to purchase subsidized house in Green Leyangan 2 and Jepara Indah Regency. This is influenced by the characteristics of respondents based on age, gender, income, marital status and level of education which are dominated by middle-aged, males who are married and have an average income of 2-4 million rupiah with first grade educational background. Price, facilities, location, promotion and income together influence the decision to purchase subsidized house in Green Leyangan 2 and Jepara Indah Regency as evidenced by the results of F test that is greater than F table ($7.096 > 2.40$).

There are real average differences in price, facilities, location, promotion, and income which influence the decision to purchase subsidized house in Green Leyangan 2 and Jepara Indah Regency. The difference between the two groups of residences is positive 7.174 which means there is an average difference between purchase decision for Green Leyangan 2 and Jepara Indah Regency. In other words, price, facilities, location, promotion, and income give different result on purchasing decision between the two residences.

Implications

For the company, the results give implication to PT. Hanzicha as the developer. It should continue to monitor changes in the factors influencing the purchase decision by buyers over time. PT. Hanzicha should also create the latest and most up-to-date innovations according to buyer needs, such as adjusting prices, maximizing supporting facilities in marketed houses, selecting advantageous locations where housing will be built, carrying out

promotions according to what buyers want and conducting research on income levels in an area to get the right market share and in accordance with company goals.

Future researchers can use other variables than those used in this research as the variables used (price, facilities, location, promotion and income) contribute to the changes in decision to purchase subsidized house only 15.52%. The alternative variables are for example public perception, product quality, brand image, service, personal characters including social factors such as social, cultural, personal and psychological, family size, and ease of obtaining a loan.

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