

THE INFLUENCE OF QUALITY, PRICE, LOCATION, PROMOTION AND COMPANY IMAGE ON HOUSE PURCHASE DECISIONS AT PT. FIRYA RESIDENCE LIENTS IN THE CITY LHOKSEUMAWE

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Abstract

This research aims to see the influence of quality, price, location, promotion, and company image on house purchasing decisions at PT. firya lientas residence in Lhokseumawe city. The type of data used is primary data. The research sample consisted of 66 respondents. The data analysis method used to see the relationship between the independent variable and the dependent variable uses multiple linear regression. The results of this research indicate that partial product quality has a positive and significant effect on house purchasing decisions at PT. Firya Lientas Residence Kota Lhokseumawe, the price has a negative and significant effect on house purchasing decisions at PT. Firya Lientas Residence Lhokseumawe City, location has a positive and significant effect on house purchasing decisions at PT. Firya Lientas Residence Kota Lhokseumawe, the promotion has a positive and significant effect on house purchasing decisions at PT. Firya Lientas Lhokseumawe City residence and company image have a positive and significant influence on house purchasing decisions at PT. firya lientas residence city of lhokseumawe.

Keywords : *Purchasing Decisions, Quality, Price, Location, Promotion, And Company Image*

1. INTRODUCTION

The increasing population will have an impact on the increasing number of community needs, one of which is the need for housing. Fulfilling people's needs for this product is very important considering the vital function of the house as a place to live, while the amount of land available is relatively very limited. Currently, one of the things that is developing rapidly is the property or housing business. This is because the need for housing in Indonesia continues to increase every year. Based on data from the Indonesian Real Estate Companies Association or REI, the total annual housing demand in Indonesia reaches 2.6 million, driven by population growth. So, many entrepreneurs run their businesses in the property sector because every human being definitely needs a house. Therefore, the influence of quality, price, location, promotion and company image influences the decision to purchase a house.

PT Firya Lientas Residence is a developer company. Paying attention to this business opportunity, the company has the opportunity to attract consumer interest in purchasing houses that have been built in the city of Lhokseumawe. The company does this by paying attention to various factors that influence consumer decisions in purchasing a house, including by offering housing products in strategic locations, attractive designs and competitive prices. The people of Lhokseumawe city in this era of development certainly really need a place to live that is in accordance with the income of the community in general. And to meet these needs, subsidized housing is considered to be the best choice for people who want to have a place to live at an affordable price. The people of Lhokseumawe City tend to buy type 36 houses. By buying this type of house, consumers get Public Housing Credit (KPR) subsidies from the government. For this reason, PT Firya Lientas Residence is developing two type 36 housing blocks, named Firya Panggoi Mantion, totaling 176 units in Panggoi Village, Muara Dua District, Lhokseumawe City with installments of IDR 740,000 per month for 20 years (<https://properti.kompas.com>).

Several studies conducted in other countries concluded that quality has a positive effect on customer purchasing decisions (Trenggana & Fahrezzy, 2018). Nasar & Manoj (2015) stated that the quality of an apartment is one of the main factors that influences purchasing decisions. The quality of building materials and building design is a consideration for consumers because good

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quality will provide durability and comfort in the house, as well as building design. Price is a direct tool or vehicle for making comparisons between competing products or brands Tjiptono (2015). To set a price, special strategies are needed so that the price is considered ideal by consumers. According to Tjiptono, quoted by Kurniawati (2017), location is the position of the product, a place that can be reached very easily, safely and comfortably.

Components related to location include: choosing a strategic location (easily accessible), in an area around a shopping center, near residential areas, safe and comfortable for customers, supporting facilities such as parking, and other factors. Strategic location will influence customer satisfaction in making purchases (pangenggar et al., 2014). In individual decision making to buy a house, location is one of the influencing factors (Al-Nahdi et al, 2015). Rinner and Heppleston (2006) maintain location as proximity to desired or undesirable amenities that influences consumer purchasing decisions. Monica (2018) states that when choosing a place to live, location is one of the factors considered by customers. A strategic and convenient location will attract consumers to buy. Therefore, a good location increases customer decisions to purchase residential property. Promotion is a form of marketing communication. What is meant by marketing communications is marketing activities that seek to disseminate information, influence/persuade, and remind the company's market objectives and its products so that they are willing to accept, buy and be loyal to the products offered by the company. (Tjiptono, 2018).

According to Brata et al. (2017) promotion is an important factor in attracting customer purchasing decisions. Promotional activities encourage customers to make purchasing decisions by providing information that can encourage customers to make purchases. Company image is considered the image of an organization as a whole, so it is not just the image of its products and services (Rahayu & Zanky, 2018). Company image generally includes a group of perceptions and impressions that grow in the minds of the public and show the success of a company's business activities in building relationships with the public (Rahmiati et al., 2017). In addition, the company's image becomes a business activity because it is an intangible asset that will help the company to develop. Kotler and Keller (2012) explain that purchasing decisions are the way individuals, groups or organizations choose, buy, use and utilize goods, services, ideas and experiences in order to satisfy their needs and desires. Berkowitz in Tjiptono (2018) states that purchasing decisions are the stages a purchaser goes through in determining the choice of products and services to purchase. Basically, a purchasing decision is a customer's action or behavior whether to make a purchase or transaction or not. The number of customers in decision making is one of the determinants if a company can achieve its goals.

2. IMPLEMENTATION METHOD

2.1 Research Objects and Locations

The research was conducted at the Firya Lientas Residence housing complex located in Lhokseumawe City. This research was conducted to determine the quality, price, location, promotion and price of house purchasing decisions at the Firya Lientas Residence housing complex.

2.2 Population and Sample

The population that will be used in this research is the Firya Lientas Residence housing complex, totaling 212 housing units. The sampling method in this research uses non-probability sampling with purposive sampling technique. Purposive sampling is sampling based on certain considerations such as population characteristics or previously known characteristics Sugiyono (2019).

2.3 Data Types and Sources

The data used in this research is primary data where the data was obtained by distributing questionnaires to residents of the Firya Lientas Residence housing complex in the city of Lhokseumawe. The type of data used in this research is primary data. The main data obtained in this research was by distributing questionnaires, when preparing this questionnaire using a Likert scale.

2.4 Data collection technique

According to Sugiyono (2018), data collection techniques are carried out in natural conditions, primary data sources, and data collection techniques focus more on participant observation, in-depth interviews and documentation. According to Sugiyono (2018), data collection techniques consist of observation, interviews, questionnaires and documentation. In this research the author used data collection techniques using questionnaires. In collecting data, the method used to obtain the data and information needed in this research is a questionnaire. The data analysis method in this research is to use multiple linear regression to see the influence of quality, price, location, promotion and company image on the decision to purchase a house in the Firya Mansion Panggoi housing complex, Lhokseumawe city. The multiple linear regression analysis model determined is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

3. RESULTS AND DISCUSSION

3.1 Validity test

Table 1
Validity Test Results

No	Indicators -Statement Indicators	Mark rcount	Mark r table	Note
1	Product Quality (X1)			
	1. Statement 1	0.840	0.252	Valid
	2. Statement 2	0.593	0.252	Valid
	3. Statement 3	0.806	0.252	Valid
	4. Statement 4	0.761	0.252	Valid
	5. Statement 5	0.344	0.252	Valid
	6. Statement 6	0.840	0.252	Valid
	7. Statement 7	0.593	0.252	Valid
	8. Statement 8	0.806	0.252	Valid
2	Price (X2)			
	1. Statement 1	0.523	0.252	Valid
	2. Statement 2	0.634	0.252	Valid
	3. Statement 3	0.716	0.252	Valid
	4. Statement 4	0.327	0.252	Valid
	5. Statement 5	0.632	0.252	Valid
	6. Statement 6	0.383	0.252	Valid
	7. Statement 7	0.547	0.252	Valid
	8. Statement 8	0.643	0.252	Valid
3	Location (X3)			
	1. Statement 1	0.568	0.252	Valid
	2. Statement 2	0.502	0.252	Valid
	3. Statement 3	0.349	0.252	Valid
	4. Statement 4	0.584	0.252	Valid
	5. Statement 5	0.547	0.252	Valid
	6. Statement 6	0.463	0.252	Valid

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	7. Statement 7	0.645	0.252	Valid
	8. Statement 8	0.478	0.252	Valid
	9. Statement 9	0.477	0.252	Valid
	10. Statement 10	0.584	0.252	Valid
4	Promotion (X4)			
	1. Statement 1	0.780	0.252	Valid
	2. Statement 2	0.406	0.252	Valid
	3. Statement 3	0.468	0.252	Valid
	4. Statement 4	0.761	0.252	Valid
	5. Statement 5	0.505	0.252	Valid
	6. Statement 6	0.415	0.252	Valid
4	Company Image (X4)			
	1. Statement 1	0.406	0.252	Valid
	2. Statement 2	0.408	0.252	Valid
	3. Statement 3	0.401	0.252	Valid
	4. Statement 4	0.418	0.252	Valid
4	Purchase decision (Y)			
	1. Statement 1	0.583	0.252	Valid
	2. Statement 2	0.586	0.252	Valid
	3. Statement 3	0.277	0.252	Valid
	4. Statement 4	0.686	0.252	Valid
	5. Statement 5	0.338	0.252	Valid
	6. Statement 6	0.309	0.252	Valid
	7. Statement 7	0.281	0.252	Valid
	8. Statement 8	0.322	0.252	Valid

Source: Research Results, Data processed 2023

Based on Table 1, obtain values from all indicator statements for product quality variables (X1), price (X2), location (X3), promotion (X4), company image (X5) and purchasing decisions (Y). to measure the variables in this research, each of them has a person correlation that is large from rtable, the rtable value for (df) = $n - 2 = 61 - 2 = 59$, then the rtable value is 0.252. Based on the results in this table, it can be concluded that all statement indicators in this research are declared valid.

3.2 Reliability Test

Table 2
Reliability Test Results

Variable	Cornbach's Alpha	Information
Product quality(X1)	0.771	Reliable
Price (X2)	0.728	Reliable
Location (X3)	0.669	Reliable
Promotion (X4)	0.746	Reliable
Company Image (x5)	0.659	
Purchase Decision (Y)	0.617	Reliable

Source: Research Results, Data processed in 2023

Based on Table 2 it can be seen that the value *Cornbach's Alpha* of the product quality variable (X1) is 0.771, the Cornbach's Alpha value of the price variable (X2) is 0.728, the Cornbach's Alpha value of the location variable (X3) is 0.669, the Cornbach's Alpha value of the

promotion variable (X4) is 0.746, the Cornbach's Alpha value of the corporate image variable (X5) is 0.659, and the Cornbach's Alpha value of the purchasing decision variable (Y) is 0.659. These results show that the Cornbach's Alpha results for each variable are > 0.60 , so all variables can be declared reliable. All of this shows that all statement items used are able to obtain consistent data.

3.3 Normality test

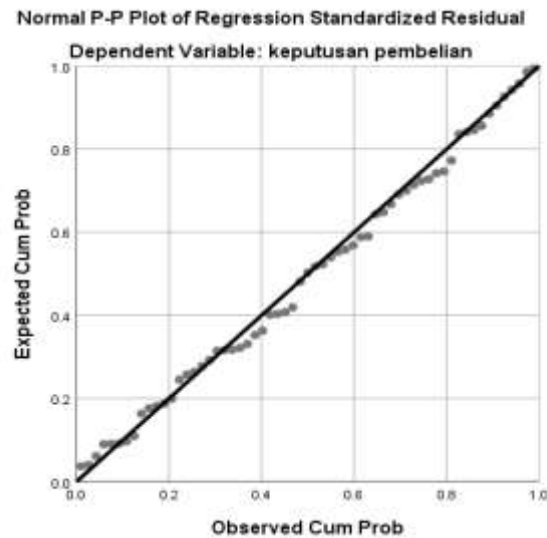


Figure 1 Normality Test

Based on Figure 1, it can be seen that the data is spread around the diagonal line and follows the direction of the diagonal line. So it can be concluded that all data in this study is normally distributed.

3.4 Multicollinearity Test

Table 3
Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
Product quality	0.736	1,358
Price	0.779	1,283
Location	0.629	1,589
Promotion	0.746	1,340
Company Image	0.852	1,174

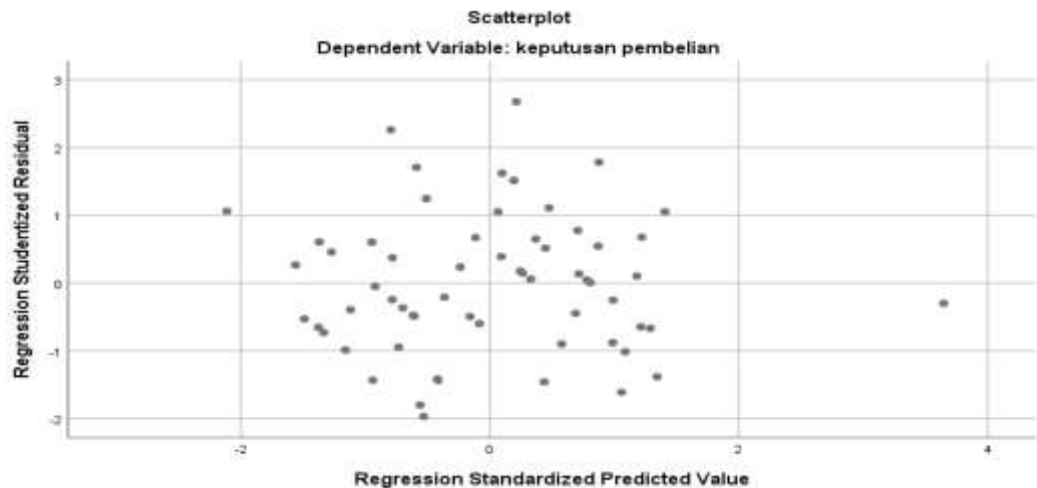
Source: Research Results, Data processed in 2023

From Table 3 it can be seen that the product quality variable (X1) has a total tolerance value (0.736) and a VIF value (1.358). Price variable (X2) with total tolerance value (0.779) and VIF value (1.283). Meanwhile, the location variable (X3) has a tolerance value of (0.629) and a VIF value (1.589), as well as the promotion variable (X4) with a tolerance value of (0.746) and a VIF value of (1.340), the company image variable (X5) has a tolerance value of (0.852). and VIF value (1.174). From the table above, it can be concluded that all variables have a VIF value < 10 and a tolerance value > 0.10 . This shows that multicollinearity does not occur and this test can be used in this research model.

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3.5 Heteroscedasticity



From Figure 2, it can be concluded that the data used in this research does not have heteroscedasticity. This is proven because the points in the image are spread above and below the number 0 on the Y axis and do not form a particular pattern.

3.6 Multiple Regression Analysis

Table 4
Regression Analysis Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1,504	,285		5,282	,000
	Quality	.102	,038	,240	2,661	,010
	Price	-.142	,045	-.276	-3.145	,003
	Location	,556	.101	,537	5,502	,000
	Promotion	.124	,051	,218	2,429	.018
	Company Image	,084	,035	,204	2,429	.018
a. Dependent Variable: Purchase Decision						

Source: Research Results, Data processed 2023

Based on the output in Table 4 above, it can be seen that this value is obtained from the multiple linear regression analysis equation below:

$$Y = 1,504 + 0.102 (X1) - 0.142 (X2) + 0.556 (X3) + 0.124 (X4) + 0.084 (X5)$$

The partial test results are as follows:

1. Results of testing the product quality variable on house purchasing decisions at PT. Firya Lientas Residence Lhokseumawe City shows that the value of $t_{count} > t_{table}$ is $2,661 > 1,672$ with a significance level of 0.010. So it can be concluded that the product quality variable has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H1 is accepted.

2. Results of testing price variables on house purchase decisions at PT. Firya Lientas Residence Lhokseumawe City shows that the value of $t_{count} > t_{table}$ is $-3.145 > -1.672$ with a significance level of 0.003. So it can be concluded that the price variable has a negative and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H2 is accepted.
3. Results of testing location variables on house purchase decisions at PT. Firya Lientas Residence Lhokseumawe City shows that the value of $t_{count} > t_{table}$ is $5.502 > 1.672$ with a significance level of 0.000. So it can be concluded that the location variable has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H3 is accepted.
4. Results of testing promotional variables on house purchase decisions at PT. Firya Lientas Residence Lhokseumawe City shows that the value of $t_{count} > t_{table}$ is $2,429 > 1,672$ with a significance level of 0.018. So it can be concluded that the promotional variable has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H2 is accepted
5. The results of testing the company image variable on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City shows that the value of $t_{count} > t_{table}$ is $2,429 > 1,672$ with a significance level of 0.018. So it can be concluded that the location variable has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H5 is accepted

4. DISCUSSION

4.1 The Influence of Product Quality on Home Purchasing Decisions at PT. Firya Lientas Residence Lhokseumawe City

Based on the research results, it shows that the t value_{count} $>$ t_{table} , namely $2,661 > 1,672$ with a significance level of 0.010. So it can be concluded that the product quality variable has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H1 is accepted.

4.2 The Influence of Price on House Purchasing Decisions at PT. Firya Lientas Residence Lhokseumawe City

Based on the research results, it shows that the t value_{count} $>$ t_{table} , namely $-3.145 > -1.672$ with a significance level of 0.003. So it can be concluded that the price variable has a negative and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H2 is accepted.

4.3 The Influence of Location on House Purchasing Decisions at PT. Firya Lientas Residence Lhokseumawe City

Based on the research results, it shows that the t value_{count} $>$ t_{table} , namely $5.502 > 1.672$ with a significance level of 0.000. So it can be concluded that the location variable has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H3 is accepted. . The importance of location in a property context is not only geographical, but also includes accessibility, neighborhood, and other factors that influence quality of life.

4.5 The Influence of Promotion on Home Purchasing Decisions at PT. Firya Lientas Residence Lhokseumawe City

Based on the research results, it shows that the t value_{count} $>$ t_{table} , namely $2,429 > 1,672$ with a significance level of 0.018. So it can be concluded that the promotional variable has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H2 is accepted. An effective promotional strategy can provide a strong incentive for consumers to choose a property.

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4.6 The Influence of Company Image on House Purchase Decisions at PT. Firya Lientas Residence Lhokseumawe City

Based on the research results, it shows that the $t_{\text{value}} > t_{\text{table}}$, namely $2,429 > 1,672$ with a significance level of 0.018. So it can be concluded that the company image variable has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H5 is accepted. A company's image reflects the reputation, integrity and credibility of a property developer, and this can be a key factor influencing consumer confidence and their decision to buy a home.

5. CONCLUSION

From the results of this discussion, the following conclusions can be drawn:

1. Product quality has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H1 is accepted
2. Price has a negative and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H2 is accepted
3. Location has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H3 is accepted
4. Promotion has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H2 is accepted
5. Company image has a positive and significant effect on the decision to purchase a house at PT. Firya Lientas Residence Lhokseumawe City, it can be concluded that H5 is accepted.

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