



CONSUMER CONSIDERATIONS IN BUYING A HOME IN URBAN CITIES

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ABSTRACT

The rapid population growth in urban cities has mushroomed the housing business, including in the city of South Tangerang. As a buffer city for the capital city, South Tangerang is an option for urban communities to live/settle. This is an opportunity for housing businesses to be able to take advantage of this opportunity by offering profitable housing for consumers, such as strategic locations (close proximity and access to adequate mobility). In line with this explanation, the purpose of this study is to determine consumer buying interest based on housing location considerations. The object of this research is the Vinus 88 Residences housing which was built by PT Multi Sarana Satria. The research subjects are consumers who have bought a house, totaling 100 respondents. This research was conducted primarily by distributing questionnaires. Because the research uses a quantitative approach, the data collected will be processed using statistical regression techniques through the SPSS application. The results of the study show that the location factor is a priority factor for urban communities. This is motivated by considerations of work location or distance from home to workplace. Therefore, housing with a strategic location, which is close and has adequate vehicle access, will be more desirable to buy.

Keywords: Housing, Urban City, Buying Interest, Strategic Location

I. INTRODUCTION

The development of property in South Tangerang is seen from the very promising development of the city. The level of economy in South Tangerang is higher than that of other cities, especially in Banten Province, so that the purchasing power of this city is quite high, not even affected by the crisis. Currently, what is developing in South Tangerang is middle to upper class housing, with complete public facilities, using a cluster system, and a minimalist concept.

Location selection greatly affects whether or not a housing location is good, the better the location, the more consumers will like the housing so that location selection is very important for property development [1]. Therefore, a good company engaged in the service or product sector needs to carry out marketing communications with very good product location placement [2].

South Tangerang City is one of the cities around DKI Jakarta which has quite good population and economic growth, this is evidenced by the mushrooming of property development. This condition is due to the fact that the city of South Tangerang is currently growing rapidly, including in terms of infrastructure. Business people are competing to invest their capital here, seeing good business prospects in this city. Likewise with the property business, currently many similar companies are emerging that are engaged in this field [3]. Almost in every part of the city in South Tangerang, including the Vinus 88 Residences housing.

In line with the explanation above, PT Multi Sarana Satria is a very experienced property development company, wanting to be a part of taking the opportunities that exist, especially in this case housing. As a follow-up to that, PT Multi Sarana Satria markets housing products located on Jl. Pinang Raya, East Pamulang, South Tangerang, Banten 15417 with the housing name 'Vinus 88 Residences'. Vinus 88 Residences housing is housing with a modern minimalist concept with type 36, type 48, type 72 and type 90 for the safety and comfort of consumers. Apart from that, the Vinus



88 Residences Housing also carries the theme of beautiful housing, so that the Public Facilities and Social Services sections are designed with green gardens.

PT Multi Sarana Satria realizes that marketing housing is not as easy as selling food or turning one's hand, especially since house prices are quite high. So do not be surprised if the sales process is faced with various challenges. In addition, the unstable economic conditions and political climate made property sales less than optimal, as shown in the data below.

Table 1. Sales of Vinus Houses 88 Residences

No	Month	Number of Units	Sold Units	Percentage
1	Agustus 2017	156	21 Unit	13.46%
2	September 2017	156	7 Unit	4.49%
3	Oktober 2017	156	5 Unit	3.21%
4	November 2017	156	5 Unit	3.21%
5	Desember 2017	156	12 Unit	7.69%
7	Januari 2018	156	11 Unit	7.05%
8	Februari 2018	156	11Unit	7.05%
9	Maret 2018	156	6 Unit	3.85%
10	April 2018	156	7 Unit	4.49%
11	Mei 2018	156	5 Unit	3.21%
12	Juni 2018	156	5 Unit	3.21%
Average Sale			9 Unit	5.54%

Source: Research data, 2022

The data above explains that home sales in the Vinus 88 Residences housing have fluctuated, but it can be seen that at the start of marketing, namely August 2017, 21 units were sold, this was the highest sales. While the lowest sales were in October 2017, November 2018, May 2018 and June 2018, namely only 5 units were sold.

The data above as a whole explains that housing sales are not easy, plus prices are quite high, then the current economic conditions are unstable, then there are many competitors in the City of South Tangerang and other factors (eg Location, Design, Legality, etc.) . The following below is the initial observation data with 15 respondents (Vinus 88 Residences consumers).

The observation results show that in general consumers perceive the Vinus 88 Residences housing as good, especially in terms of easy access to housing, namely 100% of respondents gave good responses. This explains that consumers recognize the large number of vehicles that can reach the Vinus 88 Residences housing. However, the weakness of the Vinus 88 Residences housing is in the Road Quality indicator, namely only 5 consumers who answered well or 33%. This condition explains that the location of Vinus 88 Residences is still considered unfavorable, especially in terms of road conditions.

In addition to the problems above, another factor that often becomes a problem is price. It is acknowledged that the Vinus 88 Residences housing is classified as



expensive, where one housing unit costs at least 690 million. The following can be seen in detail in the data below.

Table 2. List of Prices for Vinus 88 Residences

No	Type	LB/LT	Price	Description
1	Lyra	36/72	690,228,000	-
2	Aorora	48/78	809,424,000	-
3	Corona	72/78	975,397,500	-
4	Cygnus	90/91	1,202. 355,000	-

Source: Research data, 2022

Based on the data above, it is very clear that the Vinus 88 Residences housing is classified as very expensive, so not many consumers are interested in buying, that is, only certain consumers from the rich can afford it. So do not be surprised, if the conditions above are often an obstacle for curious workers to promote to the public. Another impact is demand stagnation. This means that consumers do not find a point of intersection between purchasing power and house prices.

II. THEORY BASIS

Location is the location of a business or business in a strategic area so that it can maximize profits [4]. This understanding explains that location has an important role for the company's revenue. So that many development companies work hard to be able to present strategic housing. In other words, the concept of a business must be built based on the strategic location of the business. In terms of housing products, location is the attribute that is the top priority, because location is a consideration for the long-term life of its occupants.

Kotler and Keller further stated that location is the most profitable place of business which can be seen from the average number of people who pass through the store every day [5]. This understanding views that strategic locations can increase consumer visits [6]. The more strategic the location of a business, it is possible that many consumers will visit, and it is possible that many will buy [7, 8].

The above understanding is very clear that buying interest is very dependent on location, especially in the housing industry. According to Kotabe & Helsen [9], buying interest is a process of making a purchase decision which includes determining what to buy or not to make a purchase and the decision is obtained from previous activities.

Swastha [10] and Czinkota, et, al. [11], argues, location is one of the most basic things in marketing. So when a business is established, it is appropriate to place location as a priority measure, however it is important to consider the target market segmentation to target, especially in the digital era the concept of location has shifted slightly.

In line with the explanation above, Monica [12] stated that there is a significant influence of location on purchasing decisions. One of them is related to easy access. This means that the location must have easy access. The meaning of easy is consumers can touch the location of the business in various ways, including digital methods.

Munadi & Ibrahim [13] and Nainggolan & Heryenzus [14], strengthen the research above, location has a good regression value on purchasing decisions. This means that



location can factually influence people's behavior in buying a product or service, especially in choosing a house. The housing location factor for consumers is not just a marketing realm, but rather a concept of life [15].

III. RESEARCH METHOD

In order for this research to be carried out properly, several scientific techniques were carried out including:

1. The object of this research is PT Multi Sarana Satria, namely the Vinus 88 Residences housing complex which is located at Jl. Pinang Raya, East Pamulang, South Tangerang, Banten 15417.
2. To answer this research, a quantitative method was used. While the explanation techniques using descriptive and inferential.
3. The population in this study are consumers who have purchased homes at Vinus 88 Residences which totaled 100 people.
4. The sampling technique used in this research is saturated sample technique. Sugiyono [16], explained that this sampling technique is a sample determination based on the total population, that is, the entire population is used as a research sample.
5. The data collection method uses primary data by making a questionnaire as a research instrument.
6. Methods of analysis using regression analysis.
7. Statistical tests consist of descriptive tests, data quality tests, regression prerequisite tests, correlation tests, partial tests and determination tests.
8. The statistical tool used is SPSS 24 software.

IV. RESULTS AND DISCUSSION

Descriptive analysis

1. Location

The results of the validity test showed that all location variable instruments had a value greater than r_{table} of 0.195. This explains that all instruments (questions) can explain location variables.

While the results of the reliability test, the location variable has a value of $0.794 > 0.6$. This explains that all statements have been answered correctly by the respondent, and these answers can be confirmed to be true (consistent).

Furthermore, the results of the descriptive analysis show that the location variable has an average score of 4.09, which is in the good category. This means that the overall location of the Vinus 88 Residences housing area has been well received by its consumers. However, along with increasing competition, Vinus 88 Residences must continue to improve the quality of housing, especially in the "Environmental" aspect, namely "Vinus 88 Residences Asri residential environment".

2. Interest in buying

The results of the validity test show that all instrument variables of interest in buying have a value greater than the r_{table} of 0.195. This explains that all instruments (questions) can explain the variable of buying interest.

While the results of the reliability test, the purchase intention variable has a value of $0.824 > 0.6$. This explains that all statements have been answered correctly by the respondent, and these answers can be confirmed to be true (consistent).

Furthermore, the results of the descriptive analysis show that the purchase intention variable has an average score of 4.12, which is in the good category. This



means that in general, consumer buying interest in the Vinus 88 Residences housing is good. However, along with increasing competition for property, the Vinus 88 Residences housing must continue to improve the quality of housing, namely by presenting advantages that make the Vinus 88 Residences comfortable and luxurious, so that consumers feel interested/want to buy a housing unit at Vinus 88 Residences.

Inferential Analysis

Table 3. Regression Test

Instrument	Values
Constant	4,493
T value	2,034
Sig	0,045
Estimate Location on buying interest	0.224
Description	Significant effect

Source: Research data, 2022

Based on the information above, the following explanation can be put forward:

1. A constant value of 4,493 has a meaning, although there is no influence from the location variable, Vinus 88 Residences consumers still have a purchase interest of 4,493. This explains that the value of the housing business in urban cities is very good, so there will always be someone who buys a house even though in general it is not strategic.
2. The regression coefficient value is 0.224, meaning that the effect of location on buying interest is 0.224. That is, if the location of a housing has adequate vehicle access, is close to work locations, is close to public facilities, and so on, it will motivate consumers to make purchases, with a probability value of 0.224.
3. Value of t_{count} 2.034 is greater than 1.985 and the significance value is 0.045 less than 0.05. With this interpretation, if the work location increases by 1 unit, then buying interest will increase by 0.224.
4. t value $t_{\text{calculated}}$ that is greater than t_{table} ($2.034 > 1.985$). This means that location has a positive effect on purchase intention. With this interpretation, if the location increases by 1 unit, buying interest will increase by 0.224.
5. The location variable has a significant value less than 0.05 ($0.045 < 0.05$). This means that location has a significant effect on buying interest. By interpretation, the location variable is able to influence buying interest well with a regression coefficient of 0.224.

Based on the explanation above, it provides information that location has a strong correlation with consumer demand to buy. When it comes to buying a house, the location factor is the main thing compared to other factors. Because the strategic location guarantees the ease of living in the future. If a residential location is close to various activities of prospective consumers, it will increase purchase motivation.

Table 4. Determination Test

Instrument	Correlation
Contribution	0.586
Standard Correlation Standard	0.343
Standard error	0.333
	2.978

Source: Research data, 2022



The results of the regression analysis above show that the location variable has a positive and significant effect on purchase intention with a regression coefficient of 0.224. These findings confirm that the Vinus 88 Residences housing must continue to improve the quality of the housing offered, especially regarding its strategic location, thereby generating high buying interest.

The results of research conducted by Widyasari and Fifilia suggest that location influences housing purchase decisions. The meaning of the intended effect is that the housing has a close distance to the prospective buyer's place of work, then it is easily accessible by various transportation, especially mass transportation, and the location is in a strategic area. The strategic intent is that the housing location is not far from urban centers, offices, markets and other important places (Monica, [12]; Munadi & Ibrahim, [13]).

Nainggolan & Heryenzus [14] and Rondonuwu, Kelles, & Tamengkel [15] support previous research, stating that location influences purchase intention and consumer purchasing decisions for housing being marketed.

In addition, the results of the test for the coefficient of determination show the ability to explain the location variable on buying interest of 0.333. This means that location has the ability to explain the purchase intention variable of 33.3% while the remaining 66.7% is explained by other variables outside of this study. In other words, the Vinus 88 Residences housing does not only have to improve its strategic location, but also needs to improve other factors, for example building partnerships with consumers, increasing promotion either through social media or through exhibitions, and so on. Thus, consumer buying interest increases.

V. CONCLUSIONS

Based on the results of the analysis and discussion, the following conclusions can be drawn:

1. The results of the questionnaire description indicate that the location of the Vinus 88 Residences Housing Complex in South Tangerang City is perceived as good, this can be seen in the average value of the respondents' answers of 4.09, which is included in the category (3.40-4.19). Likewise, consumer buying interest in the Vinus 88 Residences Housing Complex in South Tangerang City is perceived as good, this can be seen in the average value of the respondents' answers of 4.12, which is included in the category (3.40-4.19).
2. The results of the significance analysis show that location has a significant effect on buying interest with the result $t_{count} > t_{table}$ of $(2.034 > 1.985)$ and a significant value less than 0.05 $(0.045 < 0.05)$, meaning that H_0 is rejected and H_a is accepted. Based on the results of the analysis and research conclusions above, several suggestions can be put forward as follows:
 1. The results of the descriptive analysis of the questionnaire show that the location variable on environmental indicators has the smallest answer value. So it is hoped that the developer of Vinus 88 Residences Housing will be able to plant trees and parks around the complex area.
 2. The results of the descriptive analysis of the questionnaire show that buying interest on the indicator of willingness to provide a down payment has the smallest answer value. So it is hoped that the developer of Vinus 88 Residences Housing will be able to create an attractive and flexible payment scheme.
 3. The results of the analysis show that the contribution value of the location variable to buying interest is 33.3% while the remaining 66.7% is explained by other variables. It is hoped that the next researcher will use other variables, such as brand image, partnerships, consumer trust and so on so that buying interest becomes better.



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