



Analysis of Factors Affecting House Purchase Decisions at Bintang Residence in Medan City

Fadila Rahma Nainggolan¹, Nicholas Marpaung²

Universitas Sumatera Utara^{1,2}

Article Info	ABSTRACT
Corresponding Author: Fadila Rahma Nainggolan,et.al E-mail: frahmangl@gmail.com , nicholasmp@usu.ac.id	<p>This study analyzes the factors that influence the decision of buying a home in Bintang Residence. Object of this study was all residents who have homes in in Bintang Residence. The purpose of this study is to investigate and analyze the influence of family, economic situation, lifestyle, perceptions, and the location of the home purchase decision on Housing in Bintang Residence. This type of research is quantitative descriptive study using survey method. The nature of this research is the study explained (explanatory). This study using simple random sampling method to retrieve data using a sample of 75 respondents to the Slovin formula. Data analysis uses Multiple Linear Regression with SPSS 16 program. The result of this research shows that the value of Adjusted R Square of 0.642. This shows the magnitude of the effect of independent variables (location, a reference group, economic circumstances, lifestyle, and perception) on the dependent variable (the home buying decision) was 64.2%. In other words 64.2% bound variables can be explained by the independent variable, while the remaining 35.8% is explained by other variables not included in the study. Simultaneous regression test results showed that simultaneous independent variable (X) consisting of location, a reference group, economic circumstances, lifestyle, and perceptions have a positive and significant impact on the variable (Y) is the decision of buying a home in in Bintang Residence. Pasial regression test results in a variable location, a reference group, economic circumstances, lifestyles and perceptions have a positive and significant impact on the home purchase decision on Housing in Bintang Residence. The dominant factor influencing the purchase decisions of Housing home in in Bintang Residence is the location factor.</p> <p>Keywords: Location; Reference Group; Level Income; Lifestyle; Perception; Purchase Decision</p>

This is an open access article under the [CC BY-NC](#) license



INTRODUCTION

The need for a house almost never decreases, so looking for a house to live in is something that will be experienced by almost all new families, even families who have been married for a long time but do not have a house are still trying to buy a house. So that the house as a place to live as well as a means of investment is profitable and almost does not experience depreciation. The selling price of a house is formed through a negotiation process between the seller and the buyer. The seller determines the price of the house based on the costs incurred to build one house, for example the price of land, the price of buildings and the price of other components that make up the house. However, for some countries with high population levels and uneven distribution such as Indonesia, the problem of housing is a polemic. There are still many Indonesians, both in villages and cities, who live in places that are less healthy and even less suitable to live in.

Today's society in buying a house no longer only looks at the price factor but they began to consider other factors such as location factors, and whether the condition of the house is in accordance with their lifestyle. The reason people consider these factors is because it is related to their respective perceptions of the meaning of the house itself. For those who have a large income, maybe the price will not be a problem, but they are more considering the location factor and the environment where they live whether it is in accordance with what they want to get satisfaction after making the decision to buy the house.

The specific buying process consists of the following sequence of events: recognition of need problems, information search, evaluation of alternatives, purchase decisions, and post-purchase behaviour. The task of marketers is to understand buyer behaviour at each stage and the influences that work at those stages (Setiadi, 2003: 16). Factors that influence decision making to buy a house in housing include location, reference groups, economic conditions, lifestyle, and perceptions.

Location is a determining factor in decision making. The strategic location of housing will be an attraction for consumers to make a decision to buy a house in the housing. According to Kotler and Armstrong (2001: 124), "one of the keys to success is location. August Losch's Location Theory in Sofa (2008: 27) "sees the problem from the demand side (market)". Losch said that "the location of the seller is very influential on the number of consumers he can work on. The farther away from the seller's place, the more reluctant consumers are to buy because the transportation costs to go to the seller's place are getting more expensive".

Economic conditions also affect a person's decision making. The better a person's economic situation, the faster the decision-making process will be. Someone who has the purchasing power for a house in housing will definitely make a purchase decision. Simamora (2001: 88) Economic conditions will greatly affect product choices. Marketers whose products are income sensitive can carefully observe trends in personal income, savings, and interest rates. Marketers try to identify occupational groups that have an above-average interest in their products.

Perception is how we perceive the world around us and how we can know that we need help in making a purchase decision. Everyone's perception of an object will be different. The perceptions formed by a person are influenced by the mind and the surrounding environment. The experience of one consumer can easily influence a number of other consumers. Sometimes, the needs of one consumer even conflict with other

consumers. A good housing image is not based on the point of view or perception of the Bintang Residence provider, but based on the point of view or perception of consumers. Consumers will be willing to pay more if their needs are met and satisfied. Marketers must recognise the importance of needs, or signs on consumer perceptions of products or services. Kotler and Armstrong (2001: 123) state that perception is the process by which individuals select, formulate, and interpret input information to create a meaningful picture of the world.

Conditions like this encourage producers to spread their wings in the housing sector. So it is not surprising that lately the business in the housing sector is increasingly widespread, many companies have emerged by providing various kinds of facilities in offering their housing. In line with this, Bintang Residence development efforts continue to be improved while still paying attention to the requirements of Bintang Residence which are feasible and meet the standards.

Table 1. List Of Houses Sold At Bintang Residence (2018-2020 In Units)

House Type	Years 2018 (Units)	Years 2019 (Units)	Years 2020 (Units)
T 90	22	30	17
T 85-87	18	10	12
T 74-77	25	11	22
T 68	20	22	28
T 58	17	20	35
Total	102	93	114

Source: Bintang Residence Office (2020)

The list of houses sold at Bintang Residence that has been presented by researchers shows the instability of home sales at Bintang Residence every year. The sales graph explains that in 2019 home sales decreased, but in 2020 sales increased again. Type T-90 has increased from 2018-2019, but in 2020 this type has decreased. Type T 85-87 and Type T74-77 experienced a decrease from 2018-2019 and increased in 2020. Types T 68 and T 58 experienced a continuous increase from 2018-2020. There is instability in home sales at Bintang Residence, from the graph it is clear that there is a decrease in home sales from 2018-2019 and an increase again in 2020.

METHODS

This type of research is descriptive quantitative, which is research that includes data collection to test hypotheses or answer about the latest status of the research subject (Kuncoro, 2003: 53). This research was conducted using the survey method, which is an activity to collect as much data as possible about the facts that support the research, with the intention of knowing the status, symptoms, determining the similarity of status by comparing with standards that have been selected or determined (Arikunto, 2006: 108). The nature of this research is descriptive explanatory research, which aims to explain the position of the variables studied and the relationship between other variables. This research was conducted at Bintang Residence, which is located at Jl. Kapten Sumarsono. The research began in March 2021 and ended in August 2021. In this study the population is all homeowners at Bintang Residence in Medan City, totalling 290 housing units, addressed to the head of the family per housing unit.

The sampling technique used in this study is probability sampling, which is a sampling technique that provides equal opportunities for each element or member of the

population to be selected as sample members (Sugiyono, 2010: 118). The types and sources of data collected in this study are primary data and secondary data. Primary data is data that is directly obtained through interviews and distributing questionnaires to respondents at Bintang Residence Medan. Secondary data is obtained through documentation studies in the form of official documents issued by the Bintang Residence Medan office.

RESULTS AND DISCUSSION

Table 2. Partial Test Results (T Test)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	Std. Error	Beta		
Constant	3.179	1.317		2.413	.018
Location (X1)	.309	.065	.415	4.781	.000
Referral Group	.148	.050	.211	2.934	.005
State of the Economy	.135	.060	.167	2.241	.028
Lifestyle	.240	.070	.290	3.447	.001
Perception	.128	.063	.173	3.447	.045

Source: Primary Data Processing Results (2021)

Based on the t test results in the table above, it can be concluded that:

1. The test results of the statistical software program for the location variable (X1) on purchasing decisions (Y) obtained a t value of 4.781 where the t value is greater than the t table value of 1.994 ($4.781 > 1.994$) with a significance value smaller than 0.05 ($0.000 < 0.05$) and a positive regression coefficient of 0.2279. This shows that the location variable (X1) has a positive and significant effect on purchasing decisions. Based on these results it can be concluded that Ha1 is accepted.
2. The test results of the statistical software program for the reference group variable (X2) on purchasing decisions (Y) obtained a t value of 2.934 where the t value is greater than the t table value of 1.994 ($2.934 > 1.994$) with a significance value smaller than 0.05 ($0.005 < 0.05$) and a positive regression coefficient of 0.148. This shows that the reference group variable (X2) has a positive and significant effect on purchasing decisions. Based on these results it can be concluded that Ha2 is accepted.
3. The test results of the statistical software program for the economic situation variable (X3) on purchasing decisions (Y) obtained a t value of 2.241 where the t value is greater than the t table value of 1.994 ($2.241 > 1.994$) with a significance value smaller than 0.05 ($0.028 < 0.05$) and the regression coefficient is positive by 0.135. This shows that the economic situation variable (X3) has a positive and significant effect on purchasing decisions. Based on these results it can be concluded that Ha3 is accepted.
4. The test results of the statistical software program for the lifestyle variable (X4) on purchasing decisions (Y) obtained a t value of 3.447 where the t value is greater than the t table value of 1.994 ($3.447 > 1.994$) with a significance value smaller than 0.05 ($0.001 < 0.05$) and a positive regression coefficient of 0.240. This shows that the lifestyle variable (X4) has a positive and significant effect on purchasing decisions. Based on these results it can be concluded that Ha4 is accepted.

5. The test results of the statistical software program for the perception variable (X5) on purchasing decisions (Y) obtained a t value of 2.042 where the t value is greater than the t table value of 1.994 ($2.042 > 1.994$) with a significance value smaller than 0.05 ($0.045 < 0.05$) and the regression coefficient is positive by 0.128. This shows that the perception variable (X5) has a positive and significant effect on purchasing decisions. Based on these results it can be concluded that Ha5 is accepted.

Table 3. Simultaneous Test Results (F Test)

Model		Sum of Squares	df*	Mean Square	F	Sig
1	Regression	84.895	5	16.979	27.571	.000 ^a
2	Residual	42.492	69	.616		
	Total	127.387	74			

a. Predictors: (Constant), X5, X2, X3, X4, X1

b. Dependent Variable: Y

Source: Primary Data Processing Results (2021)

Based on the table above shows that the F-count value is $27.571 >$ from the F-table value of (2.35) and the significance of F is 0.000 or $< \alpha$ sig value (0.05). With Thus it can be concluded that the independent variables (location, reference group, economic conditions, lifestyle, and perceptions) simultaneously have a positive and significant effect on the dependent variable (purchase decision of the house at Bintang Residence. This This means that location, reference group, economic conditions, lifestyle, and perceptions are very decisive in making a home purchase decision at Bintang Residence. Therefore, Bintang Residence must pay attention to factors location, reference group, economic conditions, lifestyle, and perceptions in marketing and building marketing and development of Bintang Residence so that consumers are more interested in making purchasing decisions to make a purchase decision.

Table 4. Coefficient Test Results Determination (R2 Test)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.816 ^a	.666	.642	.785

a. Predictors: (Constant), X5, X2, X3, X4, X1

b. Dependent Variable: Y

Sumber: Hasil Pengolahan Data Primer (2021)

From the table above, it can be seen that the Adjusted R Square value obtained is 0.642 or 64.2%, which indicates the ability of the location variables, reference groups, economic conditions, lifestyle, and perceptions to explain the variation that occurs in consumer purchasing decisions 64.2%, while 35.8% is influenced by other variables not examined such as culture, motivation, price and so on.

The Effect of Location, Referral Group, Economic Conditions, Lifestyle, and Perceptions on Purchasing Decisions

The regression results show that location, reference groups, economic conditions, lifestyle, and perceptions have a positive effect on home purchasing decisions. The results of simultaneous hypothesis testing show that the F-count value is $27.571 >$ from the F-table value of (2.35) and the significance of F is 0.000 or $< \alpha$ (0.05) sig value. Thus it can be concluded that the independent variables (location, reference group, economic conditions, lifestyle, and perceptions) simultaneously have a significant effect on the dependent variable (purchase decision) of the house at Bintang Residence. This means that location,

reference groups, economic conditions, lifestyle, and perceptions together are very decisive in making home purchase decisions at Bintang Residence.

This is in accordance with Simamora's theory (2001: 85) that factors that influence consumer behaviour are cultural factors, social factors, personal factors and psychological factors. Social factors are a group consisting of a number of people who have an equal position in society (Mangkunegara, 2009: 41). Social factors include family reference groups, and social roles and statuses also influence consumer behaviour in making decisions. Setiadi (2003: 11) Personal factors are determinants of purchasing decisions that come from a person, which include age and stage of the life cycle, occupation, economic conditions, lifestyle, personality, and self-concept of the buyer concerned. A person's purchasing choices are also influenced by four main psychological factors, namely motivation, perception, learning, and beliefs and attitudes.

Gerald and Melanie in Mangkunegara (2009: 4) consumer behaviour is an action, process, and social relationship carried out by individuals, groups, and organisations in obtaining, using a product or service as a result of their experience with products, services and other sources. Mangkunegara (2009: 4) Consumer behaviour is actions taken by individuals, groups, or organisations related to the decision-making process in obtaining, using economic goods or services that can be influenced by the environment.

CONCLUSION

The results of hypothesis testing simultaneously show that location, reference groups, economic conditions, lifestyle, and perceptions, have a positive and significant effect on purchasing decisions for houses at Bintang Residence in Medan City. This means that purchasing decisions are influenced by location factors, reference groups, economic conditions, lifestyle, and perceptions. The results of partial hypothesis testing show that location has a positive and significant effect on home purchasing decisions at Bintang Residence. Location is formed by four indicators, namely ease of getting to the location of Bintang Residence, smooth traffic to the location of Bintang Residence, proximity to the city centre, proximity to work / other activities. This means that if the location of the house offered is strategic, consumers will make a purchase decision. The results of partial hypothesis testing show that the reference group has a positive and significant effect on the decision to buy a house at Bintang Residence. The reference group is formed by three indicators, namely friends, family, and other buyers who are able to exert a strong influence on home purchasing decisions. where the role of the reference group directly or indirectly greatly influences purchasing decisions. The results of partial hypothesis testing show that the economic situation has a positive and significant effect on home purchasing decisions at Bintang Residence. The economic situation is formed by three indicators, namely the ability to buy, additional income, the ability to make loans. This means that if a person's economic situation is getting better or far above average, the purchase decision will be easier or faster to occur. The results of partial hypothesis testing show that lifestyle has a positive and significant effect on house purchase decisions at Bintang Residence. Lifestyle is formed by three indicators, namely practical, modern, simple. Purchasing decisions are influenced by a person's lifestyle how a person behaves, has an interest and has an opinion on something. The results of partial hypothesis testing show that perceptions have a positive and significant effect on house purchase decisions at Bintang Residence. Perceptions are formed by four indicators, namely the image of Bintang Residence, Bintang Residence

environment, Bintang Residence security, Bintang Residence conditions. This means that positive consumer perceptions will influence a person in making purchasing decisions.

REFERENCE

- Arikunto, Suharsimi. 2006. *Research Management*. Seventh Mould. Jakarta: Rineka Cipta.
- Arikunto, Suharsimi. 2006. *Research Procedure A Practical Approach*. Jakarta: Rineka Cipta.
- Boyd, Harper, et al. 2000. *Marketing Management A Strategic Approach with a Global Orientation*. Second Edition. Volume 1. Jakarta: Erlangga.
- Boyd, Harper, et al. 2000. *Marketing Management A Strategic Approach with a Global Orientation*. Second Edition. Volume 2. Jakarta: Erlangga.
- Ghozali, Imam. 2005. *Non-Parametric Statistics*. Semarang: Diponogoro University Publishing Agency.
- Ghozali, Imam. 2005. *Application of Multivariate Analysis with SPSS Programme*. Third Edition. Semarang: Publishing Agency of Diponegoro University.
- Ibiyanto, Hariadi. 2008. *Analysis of Factors Affecting Consumer Decisions in Buying Yamaha Mio Brand Motorbikes (Case Study at PT. Alfa Scorpi Medan)*. Thesis. Medan: University of North Sumatra.
- Kartika, Erna. 2008. *Analysis of External Factors Affecting the Decision to Buy Toyota Avanza and Daihatsu Xenia Cars in Medan*. Thesis. Medan: University of Sumatera Utara.
- Kotler, Philip. 2002. *Marketing Management*. Millennium Edition. Volume 3. Jakarta: Prenhallindo.
- Kotler, Philip, and Armstrong. 2001. *Fundamentals of Marketing*. Ninth Edition. Jakarta: Index.