

Purchase Decision: Income, Promotion, and Product Quality Analysis (Study Case Subsidized Home Ownership Credit in PT Cirebon Sentosa Raya)

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ABSTRACT

Cirebon City's population is growing, and so is the demand for homes. In order to encourage low-income individuals to purchase homes, the Subsidized Home Ownership Credit (KPR) plays a critical role. The purpose of this study is to identify and evaluate the variables that affect the subsidized KPR (Home Ownership Credit) purchase decision at PT Cirebon Sentosa Raya. Descriptive quantitative study is what we're doing here. Sources of information that combine primary and secondary data. With the use of the SPSS 25 application, multiple linear regression analysis is the method utilized to analyze the data. The simultaneous test (F-test) results reveal that income, promotion, and product quality significantly influence consumers' decisions to buy Subsidized Home Ownership Credit (KPR) at PT Cirebon Sentosa Raya. The results of the partial test (t-test) then demonstrate that each variable in terms of income, promotion, and product quality has an impact on consumers' decisions to acquire Subsidized Home Ownership Credit (KPR) at PT Cirebon Sentosa Raya.

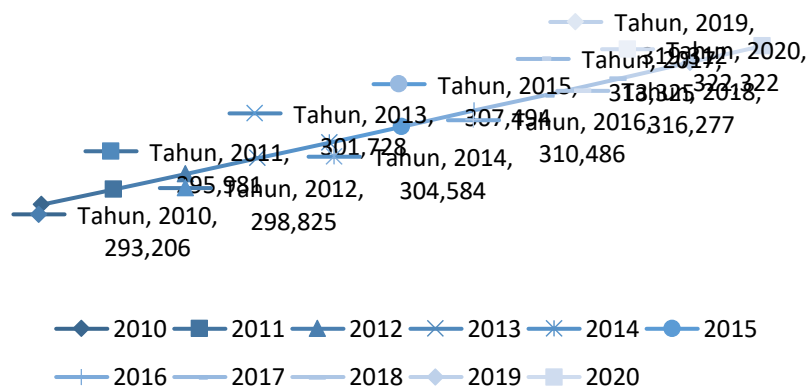
Keywords: Income, Promotion, Product Quality, Purchase Decision.

1. Introduction

Humans have a responsibility to meet their housing needs. By taking preferences and skills into account, humans will try to satisfy housing needs at every level of community needs (Alam & Larso, 2016). Providing a place to live, a center for family education, and protection from weather-related events and natural disasters are just a few of the strategic benefits of housing. But recently, the house's function has changed. In addition to being a place to live, the residence must also benefit and satisfy the owner. The house is also a good tool for investing.

The need for housing has increased in tandem with Cirebon City's population growth, which is growing yearly. The settlement's size is also shrinking as a result of population expansion, which raises the price of housing. This makes the housing problem more difficult. The city of Cirebon's population rise is depicted in Figure 1 below:

Figure 1. Population Projection of Cirebon City in 2010-2020



To meet the housing needs of the underprivileged, the government announced a program to supply and finance one million homes. On the demand side, the government is providing programs that are as affordable to the general public as possible, while also making it easier for commercial builders to produce homes at competitive prices and in large quantities. The Housing Finance Liquidity Fund (FLPP), for example, has low down payment requirements, low mortgage rates, and longer payment periods.

Data from the Ministry of Public Works and People's Housing (PUPR) show that in 2023, the FLPP aid recipient quota will rise from the initial 200.000 units in 2022 to 220.000 units. An additional budget of IDR 23 trillion to IDR 25.18 trillion will be added starting in 2022 to match the increased housing subsidy quota.

Consumers frequently consider a number of things when choosing to buy subsidized housing loans. According to Liu & Li (2018), income is the most crucial consideration when deciding whether or not to purchase a home. The level of income reflects the purchasing power of the populace.

In today's market, customers make very wise decisions when selecting housing companies that can offer high-quality goods at reasonable pricing. Because of this, the development firm offers promotions to encourage purchases, shares the benefits of the product with customers, and draws customers who ultimately decide to purchase the product (Subagya, 2021). In this case, it is necessary to run a targeted marketing because it is anticipated to improve customer decisions regarding home purchases.

When it comes to choosing housing companies that can provide high-quality goods at reasonable prices, customers in today's market make very wise decisions. As a result, the development firm offers promotions to encourage purchases, informs customers about product benefits, and attracts customers who ultimately decide to buy the product (Subagya, 2021). Targeted marketing is required in this case because it is expected to improve customer decisions regarding home purchases.

Furthermore, product quality is considered important in determining the choice of a product by consumers (Rahmawati & Nilowardono, 2018). Determination of quality is one way to win the

competition in the market, because one way to place the position of a product in the minds of consumers is quality

Based on the phenomenon of the problem above and supported by research results sourced from reputable journals and international journals, the following are:

- In their study, Mariandas, Abdullah, and Abdullah (2020) contend that elements like wealth and the surrounding environment have a positive influence on people's decisions to buy homes.
- According to Sutanto, Maranatha, and Wata (2019), the variables of cost, income level, location, amenities, and building design all concurrently have a positive and significant effect on the decision to purchase a home.
- According to Sundari, Purba, Winata, Felix, and Wijaya (2021), factors such as price, location, and promotion might have a partial or simultaneous impact on buying decisions when it comes to housing. Whereas 44.2% of consumers are influenced by price, location, and promotions when making purchases.
- Rahmawati and Nilowardono (2018) discovered in their study that product quality, brand trust, price, and promotion all have a positive and significant effect on residential property purchase decisions, partially and simultaneously.
- According to Ali (2019), the impact of product quality on purchasing decisions is both positive and significant.

Based on the background and problem identification, the following research problems can be formulated:

- How does income have a positive and significant effect on the decision to purchase subsidized home ownership credit(KPR) at PT Cirebon Sentosa Raya?
- How does Promotion have a positive and significant effect on the Purchase Decision of subsidized home ownership credit(KPR) at PT Cirebon Sentosa Raya?
- How does product quality have a positive and significant effect on purchasing decisions for subsidized home ownership credit(KPR) at PT Cirebon Sentosa Raya?

2. Literature Review

2.1 Purchase Decision

The study of how individuals, groups, and organizations choose, purchase, use, and utilize products, services, ideas, or experiences to meet their needs is known as consumer behavior. The purchase decision is one aspect of this behavior(Kotler & Armstrong, 2016). Kotler and Keller discovered that before engaging in certain behaviors, people make intelligent decisions and consider all available information and potential consequences.

Purchasing decisions involve a series of choices made by consumers prior to making a purchase decision, which begins when the consumer has the desire to meet a need. Marketers can influence decisions by providing information about products or services that can inform the consumer evaluation process (Hanasya, 2018).

2.2 Income

Sukirno (2016) defines income as cash collected and distributed to economic subjects based on achievements, such as revenue derived from specific occupations or firms, as well as income from wealth owned. A variety of factors, including income, influence the amount of customer purchases. As a result, as income levels fluctuate, so will people's purchasing habits (Khan & Chawla, 2014). To accurately estimate customer requirements and develop strategies, a thorough understanding of the decision-making processes of various income groups may be required (Khan & Chawla, 2014).

2.3 Promotion

According to Kotler and Armstrong (2016), promotions is an activity designed to explain the benefits of a product and persuade buyers to buy it. Promotions can be seen as an important element of a marketing campaign to motivate and encourage faster and more efficient response (in terms of volume and speed of purchase) to the sale of a specific product or service (Hanasya, 2018).

2.4 Product quality

Companies must consider product quality if they want their offerings to be market competitive. Product quality is defined by Kotler and Keller (2016) as a product's ability to meet or exceed consumer expectations in terms of performance. Consumer satisfaction with the company's quality and prices, as well as product price, is generally evaluated on a regular basis (Tirtayasa, Sinta, Azhara, & Prasetya, 2022).

3, Research Methodology

This study, which used a case study of Home Ownership Credit, was carried out at PT Cirebon Sentosa Raya. Purchase decisions are the dependent variable, with income, promotion, and product quality acting as the independent variables. With the aid of the SPSS 25 application, multiple linear regression analysis is the analytical technique performed. Secondary and primary data are used in the data sources. Questionnaires, interviews, and documentation studies were used to gather the data. The Nonprobability Sampling approach was employed with a saturated sample for the sample in this investigation.

4. Results

4.1 Classic Assumption Test

4.1.1 Normality Test

Based on testing using the Kolmogorov-Smirnov non-parametric statistical test, we have arrived at the results:

Table 1. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		75
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.34962413
Most Extreme Differences	Absolute	.060
	Positive	.060

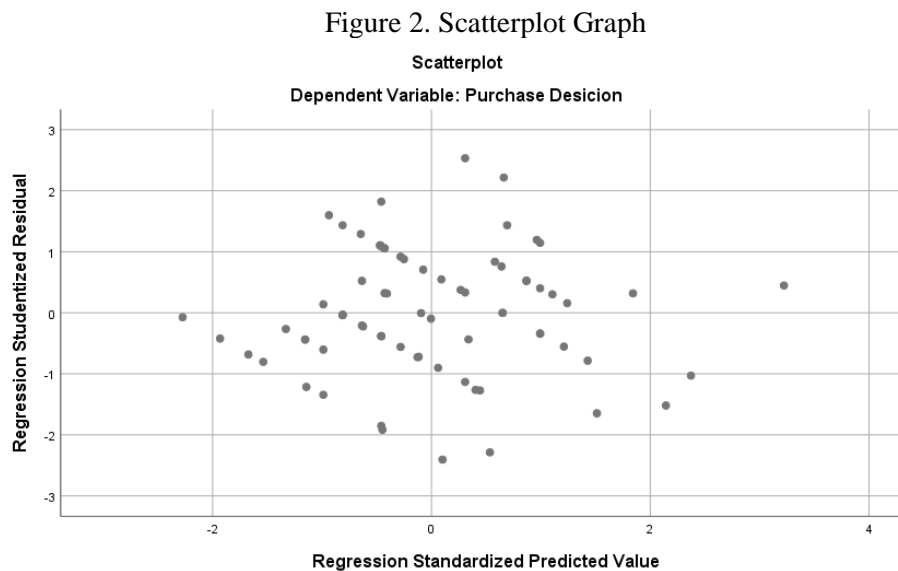
Negative	-.050
Test Statistic	.060
Asymp. Sig. (2-tailed)	.200 ^{c,d}

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

The Asymp-sig (two-sided) value is 0.200, higher than the significance value of 0.05, as can be seen in Table 1 above. These results indicate that the residual variables are normally distributed.

4.1.2 Heteroscedasticity Test

The results of the heteroscedasticity test by looking at the scatterplot graph produce an image like the following:



According to the findings of the heteroscedasticity test, which are depicted in the following graph, the points are randomly distributed, spread above and below zero on the Y axis, and do not follow any particular pattern. So that the regression model may be used to predict, it is determined that it does not have heteroscedasticity.

4.1.3 Multicollinearity Test

The multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. A good regression model should have no correlation between independent variables. The results of this test can be seen in Table 2 below:

Table 2. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF

1	(Constant)	.620	3.048		.203	.839		
	Income	.457	.154	.265	2.974	.004	.897	1.114
	Pomotion	.236	.095	.219	2.475	.016	.907	1.102
	Product Quality	.512	.100	.469	5.100	.000	.844	1.185

a. Dependent Variable: Purchase Desicion

According to the table above, there is no multicollinearity among the variables in this study. This is demonstrated by the VIF value for all variables <10 and the tolerance number being greater >0.10.

4.3 Multiple Linear Regression Analysis

Multiple linear statistical analysis was used to see whether there was an effect of the independent variable on the dependent variable. A summary of the results of data processing can be seen in the following table:

Table 3. Regresion Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.620	3.048		.203	.839
	Income	.457	.154	.265	2.974	.004
	Pomotion	.236	.095	.219	2.475	.016
	Product Quality	.512	.100	.469	5.100	.000

a. Dependent Variable: Purchase Desicion

From the test results above, the following multiple linear regression equation is obtained:

$$Y = 0.620 + 0.467x_1 + 0.236x_2 + 0.512x_3 \quad (1)$$

Where :

Y = purchase decisions

X₁ = income

X₂ = promotions

X₃ = product quality

Table 4. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.703 ^a	.495	.473	1.37784

a. Predictors: (Constant), Product Quality, Pomotion, Income

b. Dependent Variable: Purchase Desicion

Based on Table 4, shows the adjusted squared value of 0.473 which indicates that 47.3% of the purchasing decision variables are explained by the variables of income, promotion, and product quality. The remaining 52.7% is influenced by other variables outside the study, such as interest rate, location and object variables.

In addition, the F-test basically has to show whether all explanatory variables included in the model such as income, promotion, and product quality variables have a simultaneous effect on the dependent variable (purchase decision). The results of the F test in this study are presented in the table below:

Table 5. F-Test Results

		ANOVA^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	131.877	3	43.959	23.155	.000 ^b
	Residual	134.790	71	1.898		
	Total	266.667	74			

a. Dependent Variable: Purchase Desicion

b. Predictors: (Constant), Product Quality, Pomotion, Income

Based on the table above, the results of statistical tests show the arithmetic value of $F 23.166 > F$ Table 2.74 and a significance value of $0.000 < 0.05$, it can be concluded that the variables of income, promotion, and product quality simultaneously have a significant influence on purchasing decisions for ownership credit. subsidized house to PT Cirebon Sentosa Raya.

Partial test (t-test) is used to determine the relationship between each independent variable consisting of income (X_1), promotion (X_2), and product quality (X_3) variables which individually affect the dependent variable, namely the purchase decision variable (Y). The results of the t-test in this study are described in the following table :

Table 6. Results of t-test

		Coefficients^a				
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.620	3.048		.203	.839
	Income	.457	.154	.265	2.974	.004
	Pomotion	.236	.095	.219	2.475	.016
	Product Quality	.512	.100	.469	5.100	.000

a. Dependent Variable: Purchase Decision

From table 6 it is known that:

- The t count value for the income variable is 2,974 > ttable 2,667, and the probability value is 0.004 < 0.05, indicating that the income variable has a positive and significant influence on purchasing decisions.
- The t count value in the promotions variable is 2.475 > table t 2.667, and the probability value is 0.016 < 0.05, indicating that the promotions variable has a positive and significant influence on purchasing decisions.
- The calculated t-value of the product quality variable is 6.100 > t in table 2.667, and the probability value is 0.000 < 0.05, indicating that the product quality variable has a positive and significant influence on purchasing decisions.

5. Discussion

5.1 The Effect of Income on Purchase Decision

It is known that income has a positive and significant impact on purchase decisions for subsidized house ownership credit at PT Cirebon Sentosa Raya based on the findings of the partial test (t-test), which are displayed in Table 6. This implies that the likelihood that a person will purchase a home increases as income does. This study's findings concur with those of Mariandas, Abdullah, and Abdullah (2020), Sukmawati (2020), and Sutanto, Maranatha, and Wata (2019), all of whose research found that income had a positive and significant impact on decisions to buy a home.

5.2 The Effect of Promotion on Purchase Decision

Based on the partial test (t-test) results presented in Table 6 above, it is known that promotion influences subsidized home ownership credit at PT Cirebon Sentosa Raya in a positive and significant way. This indicates that there is a greater chance of influencing purchasing decisions the more promotion the development firm runs. According to research by Anjani & Sinulingga (2020), Sundari, Purba, Winata, Felix, & Wijaya (2021), and Sukmana, Hannan, & Purba (2019), promotions have a positive and significant impact on people's decisions to buy homes.

5.3 The Effect of Product Quality on Purchase Decisions

The quality of the product is known to have a positive and significant impact on the choice to purchase subsidized home ownership credit at PT Cirebon Sentosa Raya, as evidenced by the results of the partial test (t-test) presented in Table 6. This implies that consumers are more likely to decide to buy a home and are more interested in doing so if the development company's products are of a higher quality. According to some of the studies that support this research, product quality has a positive and significant impact on consumers' decisions to buy homes (Ali, 2019; Suparno, 2019; Rahmawati & Nilowardono, 2018).

6. Conclusion

Based on the findings of earlier studies and conversations, it can be said that purchasing decisions for subsidized home ownership credit at PT Cirebon Sentosa Raya are significantly influenced by income, promotion, and product quality at the same time. Furthermore, at PT Cirebon Sentosa Raya, purchase decisions for subsidized home ownership credit are influenced in part by the

variables of income, advertising, and product quality. The t value of the product quality variable, which is the largest among other factors and is 6,100 with a significance value of 0.000, indicates that it is the variable that has the most impact on consumers' decisions to purchase homes. Income and promotion variables come next.

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