

ANALYZING FACTORS DRIVING HOUSE PURCHASE DECISION AT GRIYA PANIKI INDAH MANADO

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ABSTRACT

House is one of the important things in human life. Home is where human beings to live, stay, and shelter. Nowadays in North Sulawesi province, especially in particular in the city of Manado, many estates were built. And the most preferred by the people of Manado to buy a house is Griya Paniki Indah. This study aims to analyze the factors that drive consumer purchasing decisions in the house at Griya Paniki Indah Manado. In this study, the population is people who buy a house or are already living in Griya Paniki Indah Manado, with a sample 100 respondents. The method used in this research is a quantitative method by spread the questionnaires to obtain primary data. In this study the results and conclusions found to explain that there are seventeen variables that drive consumers house purchase decision, which then formed the seven factors and there are three variables that do not significantly influence the purchasing decisions in Griya Paniki Indah Manado. The seven factors are customer needs, service level, marketing stimuli, customer satisfaction, word of mouth, views and roads, and personal life. Three variables were not significantly influence the purchasing decisions in Griya Paniki Indah Manado is affordability, maintenance, and affluence.

Keywords: *consumer purchasing decision*

INTRODUCTION

Quoted by news website in *detikFinance*, said that the housing needs in Indonesia continues to increase each year, based on a count of Real Estate Indonesia (REI), the total housing need per year to reach 2.6 million, driven by population growth, home improvement damaged homes and backlog or deficiency, it was said by the Chairman of the Advisory Board Organization Real Estate Indonesia (REI), Satria (2012). It means residential development in the provinces in Indonesia from year to year increases, which is due to a lot of people who get married, so they intend to buy a house in a residential complex. There are also people who are not married but have income that has already bought a house.

Consumer purchasing decisions can be said to be something unique, because of the view and attitude towards everyone is not the same object. In addition, consumers are from multiple segments, so that what is needed and desired also different. Manufacturers need to understand the behavior of consumers towards the product or brand in the market, further needs to be done a variety of ways to make consumers interested in the product produced.

Nowadays in North Sulawesi province, especially in particular in the city of Manado, many estates were built. The rapid development of housing construction in Manado making level of competition is becoming tougher. Housing developers continue to push the house to be built. This is evident from the diverse array of types and forms of houses in estates in Manado. As a result, consumers should be more selective in choosing housing that will be occupied. Factor that be a consideration for consumers in choosing a house is environment

factor. In addition, consumers are also considering how much it cost to buy a house. Number of house that have the same shape, comfort, and other facilities make it difficult to distinguish consumers with existing homes in other housing. Innovation continues to be done by housing developers to attract consumers' attention. Currently the most attractive of housing by Manado habitant is Griya Paniki Indah. Because of the environment is safe and comfortable, the prices are affordable, close to the airport, adequate facilities, and so on. Griya Paniki Indah Residence is a beautiful housing developed by *PT. Setia Kawan Lestari*. Quoted by news website in *tribun manado*, said that Griya Paniki Beautiful is the only housing the largest in North Sulawesi.

Research Objective

To analyze the factors that drive consumers in purchasing decisions of house at Griya Paniki Indah Manado.

THEORETICAL FRAMEWORK

Theories

Purchase Decision

Purchasing decisions are processes that occur at the time before a consumer makes a purchase of a product. The consumer passes through 5 stages of the buying-decision process, such as: problem recognition, information research, evaluation of alternatives, purchase decision, and postpurchase behavior (Kotler Keller, 2009:207).

1. Problem Recognition
This is in general the first stage in which the consumer recognizes that what essentially is the problem or need and hence accordingly a consumer can identify the product or kind of product which would be required by the consumer (Kotler, 2000:98).
2. Information Research
In information search, the consumer searches about the product which would satisfy the need which has been recognized by the consumer in the stage previous to this one (Kotler, 2000:98).
3. Evaluation of Alternatives
In this stage, the consumer evaluates the different alternatives which the consumer comes across, when the consumer was searching for information. Generally in the information search the consumer comes across quite a few products and thus now the consumer has to evaluate and understand which product would be properly suited for the consumer (Kotler, 2000:99).
4. Purchase Decision
After the consumer has evaluated all the options and would be having the intention to buy any product, there could be now only two things which might just change the decision of the consumer of buying the product that is what the other peers of the consumer think of the product and any unforeseen circumstances. Unforeseen circumstances for example in this case could be financial losses which led to not buying of the product (Kotler, 2000:100).
5. Postpurchase Behavior
After the purchase the consumer might just go through post purchase dissonance in which the consumer feels that buying the other product would be better. But a company should really take care of it, taking care of post purchase dissonance doesn't only spread good words for the product but also increases the chance of frequent repurchase (Kotler, 2000:100)

The Factors of Purchase Decision**Financial**

Financial and purchase decision are related. Financial issues account for approximately 30% of the variance in the decision by first homeowners to buy housing (Mills and Reed, 2003:349)

Lifestyle

Lifestyle and purchase decision are related. The term "lifestyle" stems from the fields of psychology and sociology, referring to a person's particular way of living, and has been used primarily for examining the living patterns and mobility of the various social classes (Bei, 2000, cited by Long et al, 2012). Lifestyle has a significant positive influence on purchase decision (Long, 2012:464).

General Locality

General locally and purchase decision are related. Everywhere certainly people decide to buy a house with regard to the proximity of the house to the city center, offices, schools, hospitals and other public places. The closer the distance between home and public places, the more people are interested in buying a house. General locality is the fourth factor in this study and approximately 5.93 percent of the variance in the decision by first homeowners to buy housing (Mills and Reed, 2003:348).

Housing Type

Housing type and purchase decision are related. Type of housing is one of the considerations in the case of a person making a decision to buy a house. Ranging from the type of small, medium and large. Because of the type of house is one thing that determines one's convenience or a family occupied the house. Housing type is the sixth factor in this study and approximately 5.02 percent of the variance in the decision by first homeowners to buy housing (Mills and Reed, 2003:348).

Site Specific

Site specific and purchase decision are related. Ease to go to certain sites or also easy for other people, relatives, or friends to search our homes is one thing to be considered a person in deciding to buy a house. The selection of house that easy to find or looking for is the very influential in the decision to buy a house. Site specific is the seventh factor in this study and approximately 4.53 percent of the variance in the decision by first homeowners to buy housing (Mills and Reed, 2003:348).

Affordability

Affordability factor is also very influential in making the house buying decision. Such as: affordability of house prices and affordability to get the house. Affordability is one of the variables that influence the purchasing decisions in Australia (Ratchatakulpat et al, 2009:288).

Maintenance

A house maintenance activities are needed in a housing. Such as: home roof repairs, electrical repairs and water, parks, and so on. And it all is a factor also for someone to decide to buy a house. Maintenance is one of the variables that influence the purchasing decisions in Australia (Ratchatakulpat et al, 2009:288).

Interior Design

Interior design and purchase decision are related. Interior design is a conceptual development or implementation of a design object. In the purchase of a house, people would want a very nice interior design with the wishes of each. Therefore, the interior design is very influential in the purchase decision. Interior design is one of the variables that influence the purchasing decisions in Australia (Ratchatakulpat et al, 2009:288).

Good Neighborhood

Good neighbors with home purchasing decisions certainly are related. People decide to buy a house automatically want to have neighbors around the house nice and friendly. Because then, people would feel comfortable living in that environment. Good neighborhood is one of the variables that influence the purchasing decisions in Australia (Ratchatakulpat et al, 2009:288).

Affluence

Affluence and house purchase decisions are closely related. People buy a house must pay attention to the element of affluence that will be felt, and it covers about the surrounding environment. Whether the environment around them brings good impact that made them prosperous or not. Affluence is one of the variables that influence the purchasing decisions in Australia (Ratchatakulpat et al, 2009:288).

Quality of The Area

Quality of the area and purchasing decisions highly correlated. Determine the quality of a region to decide to buy a house sector in housing. If good area, certainly many who are interested. Certainly people who do not want to live in areas of frequent flooding. Quality of the area is one of the variables that influence the purchasing decisions in Australia (Ratchatakulpat et al, 2009:288).

Water

Water and house purchase decisions are closely related. Smooth running of water is needed in a home. Because of water is one of the important elements in the earth. Water is needed for bathing, washing dishes, clothes, cars, and especially well for cooking water to drink. Water is one of the variables that influence the purchasing decisions in Australia (Ratchatakulpat et al, 2009:288).

Views and Roads

View, road and house purchase decisions are closely related. Everyone will want to choose a home that has beautiful view around the house, so that feels very comfortable and feel at home. And also the roads around his home should have a good texture, no holes. Views and roads is one of the variables that influence the purchasing decisions in Australia (Ratchatakulpat et al, 2009:288).

Facilities

Facilities and house purchase decisions are closely related. More attractive facilities that exist around the house or inside the housing, the more people are interested in deciding to buy a house in the housing. Facilities is one of the variables that influence the purchasing decisions in Australia (Ratchatakulpat et al, 2009:288).

Achievements

Achievements and purchase decision are related. Achievement was defined as the measuring of one's level of success (Long et al, 2012:452). Achievement has a significant positive influence on purchase decision (Long et al, 2012:464).

Price

Price and purchasing decisions highly correlated. The price certainly has an important role also in the one to make the decision to buy a house. Cheap and affordable prices are the most demanding people to buy a house. (Lin, 2010, cited by Long et al, 2012) mentioned in his research on marketing stimuli how to trigger consumers' purchasing intention, such as: to set a reasonable price. It means price has a relationship with purchase decision.

Promotion

Promotion and purchase decision are related. Promotion is generally used to increase sales in the short term by businesses and especially used widely to influence consumers by businesses and agents of the consumer good markets. Therefore, promotion and purchasing decisions highly correlated. A very attractive promotion will certainly get people interested and will be influential in the purchase decision. Marketing stimuli have a positive influence on the purchase decision. Marketing stimuli consists of product, price, promotion and advertisement. That means the promotion effect on the purchase decision.

Personal Value

Personal value and purchase decision are related. Personal values are values selected from social values and refer to a person's normal behaviors, reflecting an individual's choice out of the various social values or value systems that shape the individual's particular behaviors. Personal value has a significant positive influence on purchase decision (Long et al, 2012:450).

Brand Equity

Brand equity and purchase decision are related. Brand equity is an instrument to measure the competitive strength of Brands (Farquhar, 1989, cited by Abadi et al, 2012). According to Lassar (1995), brand equity is prioritize consumer from a brand compared to other brands in a product category. According to Gill et al (2007) said that Brand equity is value that brand add to product. Abadi et al (2012) said that brand equity has a direct impact on purchase decisions.

Experience

Experience is the observing, encountering, or undergoing of things generally as they occur in the course of time. Experience and purchase decision highly correlated. Haghshenas et al (2013) said that when consumers experience about product or service, usually after use samples of the goods learn to make choices quickly. Because they are familiar with the product and find that it can satisfy their need and therefore reduced the level of conflict.

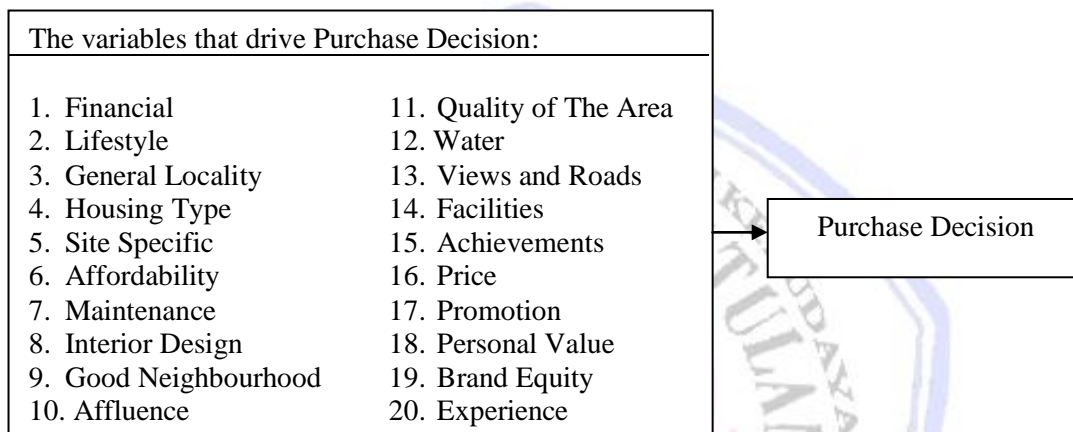


Figure 1. Conceptual Framework

Source: Theoretical Review, 2013

RESEARCH METHOD

Type of Research

Types of this research that used is exploratory research. Exploratory research are needed to understand the nature of the problem and in developing a theoretical framework when some facts are known but still needed more information (Sekaran and Bougie, 2009:104).

Place and Time of Research

The object of this research is Griya Paniki Indah Manado on October 2013.

Population and Sample

This study takes a population and sample that is used as an object research. Population is an identifiable group of elements (for example, people, products, organizations) of interest to the researcher and pertinent to the information problem (Hair, 2010:131). Population of this research is the people who bought house and had lived in Griya Paniki Indah Manado. This research uses Non-Probability Sampling, which is Convenience Sampling. The sample that used is 100 respondents where the measurement of sample is doing by multiplying 5 with the number of variable that exist in this research. The number of variable factors that exist in this research amounted to 20 factors x 5 = 100 respondents.

Data Collection Method

There are two sources of data in this research, those are: Primary data and Secondary data. Primary Data originated by the researcher specifically to address the research problem through questionnaires. Secondary Data collected for some purpose other than the problem at hand taken from books, journals, and relevant literature from library and internet.

Operational Definition and Measurement of Research Variables

Operational Definition of Research Variables

1. Financial: A human's financial situation in the ability to buy a house.
2. Lifestyle: Election the house based on how the pattern of human's life.
3. General Locality: Related to how close the house is to shopping, schools, offices, city centers and other public places.
4. Housing Type: Related with the model and the shape of the house, such as a small or big house.
5. Site Specific: Relating to the availability of certain sites with the location of the house.
6. Affordability: Related to the easiness that is obtained by the buyer after buying a home.
7. Maintenance: Activities to preserve or maintain the facility and made repairs, adjustments, replacements are needed so that there is a satisfactory condition in accordance with what was planned.
8. Interior Design: The planning, layout and design of the interior space within buildings.
9. Good Neighborhood: Related to environment friendly complex, such as neighbors.
10. Affluence: Related to the effect of the house's situation and surrounding environment so that human can feel properous to occupy the house.
11. Quality of The Area: Related to how the quality of house and surrounding environment of the housing that obtained by human who would buy a house.
12. Water: Related to the availability of water that is in the house.
13. Views and Roads: Related to the sights and the access road is in a residential complex.
14. Facilities: Facility is a means to expedite and facilitate the implementation of the function. Housing facility is a means of support in housing activity, and is used in community activities, has a period of relatively permanent usability and provide benefits to people who are in housing.
15. Achievement: Related to the achievements that have been owned by the housing.
16. Price: Money value that must paid by the consumer to buying a house as the selling price of the house.
17. Promotion: Information about housing to consumers or the public if it is well targeted, appropriate and communicative as a consumer consideration in the decision to buy a house.
18. Personal Value: An absolute or relative value and ethics, assumptions that can be the basis for a consumer to buy a house in the housing.
19. Brand Equity: Related to how popular and famous a housing's name so that a consumer consideration in the decision to buy a house.
20. Experience: Related to the experience that ever experienced by consumers in terms of buying o house.

The variable of this research will be measured by using Likert-scale. Likert scale is designed to examine how strongly subjects agree or disagree with statements on a five-point scale with the following anchors: 1 = "strongly disagree", 2 = "disagree", 3 = "neither agree nor disagree", 4 = "agree", 5 = "strongly agree" (Sekaran dan Bougie, 2009:152).

Data Analysis Method

Validity test is the extent to which the conclusions drawn from the experiment are true (Hair et al., 2010:120). The measurement of validity test in this research is using SPSS software with analyzing MSA (Measures of Sampling Adequacy). Validity test will said its valid if in "Anti-Image Correlation" is more than 0.5. Reliability tests are the extent to which the measurements taken with a particular instrument are repeatable (Hair et al., 2010:156). Reliability tests that used to analyze the collection of data by looking the Cronbach's Alpha. Reliability test will said it's reliable and consistency if alpha is more than or equal with 0.7 (Litwin, 1995:31).

Factor Analysis Model

Factor analysis is a multivariate technique that confirms the dimensions of the concept that have been operationally defined, as well as indicating which of the items are most appropriate for each dimension (Sekaran and Bougie, 2009:161). Factor analysis assumes that the observed variables are linear combinations of some underlying (hypothetical or unobservable) factors (Kim and Mueller, 1978:9). This research used Confirmatory Factor Analysis (CFA) where confirmatory factor analysis can be used for multiple purposes including the development of measures, evaluation of the psychometric properties of new and existing measures, and examination of method effects (Harrington, 2009:5). Factor analysis process conducted in 4 stages, there are the correlation matrix for all variables is computed, factor extraction, factor rotation, and make final decisions about the number of underlying factors (Khelifa, 2009).

RESULT AND DISCUSSION

Result

The results that obtained in validity test of this research is valid where the result value from every variable or MSA in anti-image correlation is more than 0.5. The anti-image correlation value in financial variable is 0.533, lifestyle variable is 0.719, general locality variable is 0.719, housing type variable is 0.679, site specific variable is 0.691, affordability variable is 0.725, maintenance variable is 0.674, interior design variable is 0.561, good neighborhood variable is 0.718, affluence variable is 0.866, quality of the area variable is 0.578, water variable is 0.536, views and roads variable is 0.575, facilities variable is 0.668, achievement variable is 0.757, price variable is 0.632, promotion variable is 0.721, personal value variable is 0.622, brand equity variable is 0.634, experience variable is 0.639. Based on the values of validity test above, then this research that conducted through questionnaire is valid and it can to be continued to further analysis.

The study said consistency and reliable if the value of cronbach's alpha is greater than or equal to 0.7 (Litwin, 1995:31). Cronbach's alpha value on this research is 0.706 showed that those values are equal 0.7 so that it can be said that the reliability test research of measurement can be accepted as a good reliability.

Result of Factor Analysis

Table 1. Formed Factors

Factor	Variable	Factor Loadings
1	General Locality	0.677
	Housing Type	0.809
	Site Specific	0.586
	Facilities	0.724
2	Quality of the Area	0.909
	Water	0.922
3	Price	0.762
	Promotion	0.642
	Experience	0.583
4	Interior Design	0.804
	Good Neighborhood	0.689
	Achievement	0.582
5	Personal Value	0.766
	Brand Equity	0.734
6	Views and Roads	0.728
7	Financial	0.839
	Lifestyle	0.610

Source: Data analysis result, 2013

Discussion

The first factor is given the name of the *customer needs* is formed of four variables consisting of general locality, housing type, site specific, and facilities. The second factor is given the name of *service level* is formed of two variables consisting of quality of the area and water. The third factor is given the name of the marketing stimuli is formed of three variables consisting of price, promotion, and experience. The fourth factor is given the name of the *customer satisfaction* is formed of three variables consisting of interior design, good neighborhood, and achievement. The fifth factor is given the name of the *word of mouth* is formed of two variables consisting of personal value and brand equity. The sixth factor is named *views and roads*, because these factor consists of only one variable, namely views and roads. The seventh factor is given the name of the *personal life* is formed of two variables consisting of financial and lifestyle.

CONCLUSION AND RECOMMENDATION

Conclusion

There are seventeen variables that drive people in Manado to make purchase decision of house at Griya Paniki Indah Manado, such as: general locally, housing type, site specific, facilities, quality of the area, water, price, promotion, experience, interior design, good neighborhood, achievement, personal value, brand equity, views and roads, financial, and lifestyle. Seventeen of the variables form the seven factors of purchase decision at Griya Paniki Indah Manado. The seven factors consist of customer needs, service level, marketing stimuli, customer satisfaction, word of mouth, views and roads, and personal life. Service level gives the greatest influence (the most dominant factor) on purchase decisions at Griya Paniki Indah Manado, which consists of quality of the area and water. There are three variables that do not affect significantly the consumer purchase decision of house at Griya Paniki Indah Manado. All three of these variables include affordability, maintenance, and affluence.

Recommendation

With respect to the seventeen variables simultaneously affect the purchasing decisions at Griya Paniki Indah Manado, which include: general locally, housing type, site specific, facilities, quality of the area, water, price, promotion, experience, interior design, good neighborhood, achievement, personal value, brand equity, views and roads, financial, and lifestyle, it is suggested that in order to developer more increase attention to these variables so that consumers are more interested in buying a home or making purchase of house back so that resulting in enhancement of selling house.

For purchasing decision, this study give seven factors that drive people to make purchase decision of house at Griya Paniki Indah Manado. So, it is highly recommended to consider the seven factors with the seventeen variables in order to get more customers to buy a house. Among the seventeen variables the top five with highest factor loadings is water, quality of the area, financial, housing type, and interior design. So, water should be smooth or not halting, quality of the area must be maintained, the payment system must be in accordance with the state of customer finances or employment, within the meaning of the payment system is not complicated, the types of house to be even more, home interior designs to be more interesting and unique.

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