



## Analyzing Factors Influencing Purchase Intention for Residential Property Developer on Bandung Barat Regency : A Study on Advertisement, Sales Promotion, Online and Social Media Marketing, and Product Attributes

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**ABSTRACT:** MSMEs is the most important pillar to the Indonesia economy because the contribution of this segment is 60,5% to the GDP of Indonesia. Also contribute 96,9% of total national absorption employment. One of the MSME sectors is residential construction. In 2020, the backlog of Indonesia is 12,75 million which means there are 12,75 million families that did not own the house so the demand for residential property is high. There are many residential property companies that serve the low income segment. One of them is a residential property developer that the author does research for and is one of the residential property companies that is now experiencing decline in sales. They sell the house in the low income segment in Bandung Barat regency in Indonesia. So when a pandemic hits, the buying power of this segment is getting lower. They focus on buying the essential daily needs such as food and drink, the plan for buying a house will be postponed until their economy gets better. To this scenario, the company must change the segment market to target new potential customers or adjust the product to still be affordable to this segment. Based on preliminary research, the author found that there is a shift on choosing the channel for seeking a house from offline to online. The purpose of this study is to identify the factors that influence residential property company house sales and to increase sales of house products. This study uses qualitative and quantitative methods. The qualitative method utilised in preliminary research by interviewing business owner and employee of the company. The quantitative method utilised by questionnaires that are distributed to potential customers. The sample of this research consists of 200 respondents taken by non-probability sampling. The questionnaire will use a likert scale with 5 levels, representing an interval scale. The data analysis methods used are validity test, reliability test, and hypothesis testing using SPSS. Based on the research result, advertising, sales promotion, online and social media marketing, and product attributes have a significant influence on purchase intention.

**KEYWORDS:** Advertising, Online and Social Media Marketing, Product Attributes, Purchase Intention, Sales promotion.

### INTRODUCTION

All people need a home for living or just for alternative investment. Based on Susenas data, the backlog of Indonesia is 12,75 million [1]. It means there are 12,75 million families that do not own a house. From that fact, we can see there are many demands for residential property. This number also will be increased because growth of new families which are estimated to be around 700,000-800,000 per year. In the other side, MSME's contribution to GDP up to 60,5% [2]. Also contributing to employment absorption is 96.9% of the total national employment absorption. So MSME is a crucial sector to Indonesia economy. When pandemic come, there are many sectors that impacted. One of the most impacted sectors in Indonesia is construction that includes residential property construction as 87,4% [3]. One of the residential property companies that the author researched also categorised as a medium company that operates in Bandung Barat Regency. They have a residential property project resident that targets low income people to market their product. The low-income people is a big market population especially in Indonesia. With 270 million people in Indonesia, this target market is interesting for many companies. But when this virus spreads, the economy gets bad and the most impacted are low income people. Looking at the data that MSME has been significantly affected by the pandemic and the facts on the ground seen by researchers through an interview with an employee in the property sector who stated that their sales have decreased compared to before the pandemic, this needs further attention. As we know, the pandemic makes the people cannot easily physically mobile. So the company needs to adapt to this situation by changing the marketing strategy. There are many marketing programs that cannot be implemented because of the regulation in Indonesia that limits public activity. They also cannot create exhibition booths in public space to attract people to come and do purchasing. They also cannot use brochures to advertise the product because a lot of people decide to not go



out to the public space. From the results of the interviews I conducted, it was discovered that the initial problem with their sales was that they did not meet the target and there was a downward trend. Also they said that it is hard to reach the potential market. Now the pandemic era is gone, the people getting better buying power because the economy is getting better. To this opportunity, the company needs the most effective marketing strategy to reach the potential customer to fix the situation of decline of sales. To increase the sales of their product, the property developer needs to know the factors that influence the purchase intention of customers that will increase the chance of sales of their product. From that, they can create a marketing strategy that effectively reaches the target market.

## BUSINESS ISSUES

Based on the interview with the business owner, there has been a decrease of sales after the pandemic era. The biggest decrease is from Q3 to Q4 in 2020. Also from the interview this many months has not reached the target of sales that company wants to achieve. This trend can cause the company to lose money and also can make the risk of the company increase. Because they still need to pay the bank for the capital loan to build the property project but the number of customers is getting lower so the sales decrease. This must be a concern for the stakeholders and author to find the root cause of why this happens, because the decrease of sales can make a big impact to the company to survive. Understanding the underlying factors that contribute to decrease of sales is crucial for developing a marketing strategy that can be implemented to increase the sales and make a growth to the company. This property developer sells their product through B2C Channel and using offline advertising tools such as brochures and billboards to promote their company but they did not do the online advertising such as promoting on social media or house marketplace. They did not do the online promotion because they did not have the capability and knowledge to start entering this type of marketing. According to the symptoms, the author digs more information to the marketing and sales division. They felt that the company had a hard time reaching target sales because they cannot reach the potential customer. The author thinks that post pandemic situations make the people change their behaviour to seeking property information. The other thing is now the majority of first time buyers of residential property are the millennial generation that can have different preferences to the product and also they are more aware of the internet. This will make this generation use their time mostly in social media and the internet. To dig more information, the author held a preliminary research to 5 potential customers and 5 current customers. From that preliminary research, the author found that there is a shift of customer behaviour seeking information preference of residential property from offline form of advertising to online form of advertising. Also the author found that potential customers like the property company to offer discounts that can be categorised as sales promotion. The other thing is the author found that the potential customer has preferable design that can be categorised as product attributes. From this preliminary research, the author thinks that advertising, sales promotion, online and social media marketing, and product attributes is the factor that may become the influence to the purchase intention of potential customers. Further research and analysis will be necessary to refine and validate these preliminary research findings. By knowing the factor of purchase intention this will increase the chance of sales for property company housing products. Also the company can change their target market to survive in this new situation.

## METHODOLOGY

Based on the objectives to be achieved, this research is included in applied research because it aims to find solutions to the problems that exist in the company [4]. In terms of time, the method used is cross sectional. Cross sectional is a method to collect data in many variables at the same time [4]. The data collected was carried out with a series of questions regarding several different things taken at the same time. The data will be tested and analysed using a quantitative method using SPSS software to know the correlation between independent variables and the dependent variable. The sample size for this research is 200 respondents. The method that is used to take the sample is judgement sampling which means the sample needs to have specific criteria for determining the sample from the population [4]. The criteria are having income 4 up to 10 million rupiah, located in Bandung and Jabodetabek, and having interest in buying residential housing. The questionnaire will be using a likert scale with 5 levels of interval. Validity is one of the tests to find out whether the measuring instrument is used for the variables in the study. The validity test will be tested by testing the questionnaire to 30 respondents and test the pearson correlation score of this data. If the r counted bigger than the r table the questionnaire is valid. The r table of 30 respondents with confident level 5% is 0.361. The reliability testing is an indication of stability and consistency with instruments that measure concepts and help assess the correctness of a measure [4]. The reliability test will be conducted by coefficient alpha method. Coefficient alpha is a measure of internal consistency reliability that is average



of all possible split-half coefficients resulting from different splitting of the scale item [5]. After the validity test and reliability test are met the requirement, the questionnaire will be distributed to 200 respondents and after that the author will do the hypothesis testing using multiple linear regression.

**Table 1.** Variable and question for questionnaire (Author, 2023)

Variable	Item Question
Advertising	1. I feel that property advertising on billboards is interesting for me. (ADV_1) 2. I feel that property advertising in print media is interesting for me. (ADV_2) 3. I feel that real estate advertising on television is interesting for me. (ADV_3) 4. I feel that real estate advertising on the radio is interesting for me. (ADV_4)
Sales Promotion	1. I feel that discount or cashback is interesting for me. (SP_1) 2. I feel that low mortgages is interesting for me.. (SP_2) 3. I feel that free gifts or products are something that interests me. (SP_3)
Online & Social Media Marketing	1. I feel that property advertising on social media is interesting for me. (OSM_1) 2. I feel that property advertisements on the company's website are of interesting for me. (OSM_2) 3. I feel that property advertising on the property marketplace platform is what interests me. (OSM_3)
Product Attributes	1. Home design is important to me. (PA_1) 2. The number of floors in a house is important to me. (PA_2) 3. The building area size of the house is important to me. (PA_3) 4. The land area size of the house is important to me. (PA_4)
Purchase Intention	1. I want to live in a residential area that has a centralized water system. (PI_1) 2. I want to buy a house in a residential area that has a centralized water system in the future. (PI_2) 3. I am planning to buy a house in a housing estate that has a centralized water system. (PI_3)

**RESULT AND DISCUSSION**

**A. Validity Test**

validity is one of the tests to find out whether or not the measuring instrument is used for the variables in the study. If the r counted bigger than the r table then the questionnaire is valid. With n= 30 and level of significance 5% the r table is 0.361

**Table 2.** Validity Test (Author, 2023)

Variable	Item Question	Pearson Correlation	Description
Advertising	ADV_1	0,711	Valid
	ADV_2	0,732	Valid
	ADV_3	0,697	Valid
	ADV_4	0,718	Valid
Sales Promotion	SP_1	0,734	Valid
	SP_2	0,722	Valid
	SP_3	0,778	Valid
Online & Social Media Marketing	OSM_1	0,750	Valid
	OSM_2	0,770	Valid
	OSM_3	0,757	Valid



Product Attributes	PA_1	0,765	Valid
	PA_2	0,574	Valid
	PA_3	0,884	Valid
	PA_4	0,704	Valid
Purchase Intention	PI_1	0,900	Valid
	PI_2	0,956	Valid
	PI_3	0,922	Valid

Based on the result above, all indicators in each variable are valid.

**B. Reliability Test**

Coefficient alpha is a measure of internal consistency reliability that is average of all possible split-half coefficients resulting from different splitting of the scale item. The coefficient 0.6 and lower generally indicates that the data is not reliable.

**Table 3.** Reliability Test (Author, 2023)

Variable	Cronbach's Alpha Score	Description
Advertising	0,677	Reliable
Sales Promotion	0,693	Reliable
Online & Social Media Marketing	0,612	Reliable
Product Attributes	0,677	Reliable
Purchase Intention	0,917	Reliable

Based on the result above, all indicators in each variable are reliable.

**C. Multiple Linear Regression**

**1) R-Square**

**Table 4.** Model Summary (Author, 2023)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,735 <sup>a</sup>	,540	,530	1,20175
a. Predictors: (Constant), Product Attributes (X4), Advertising (X1), Sales Promotion (X2), Online & Social Media Marketing (X3)				

Based on the table above, as we can see the R Square is 0.540 that means the dependent variable in this case is Advertising (X1), Sales Promotion (X2), Online & Social Media Marketing (X3) and Product Attributes (X4) contribute 54% to dependent variables in this case is Purchase Intention (Y). The remaining 46% cannot be presented or obtained on this model which means there are from other factors that are not described in the research model.



2) F-Test

Table 5. Anova (Author, 2023)

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	329,962	4	82,490	57,119	,000 <sup>b</sup>
	Residual	281,618	195	1,444		
	Total	611,580	199			

a. Dependent Variable: Purchase Intention (Y)  
 b. Predictors: (Constant), Product Attributes (X4), Advertising (X1), Sales Promotion (X2), Online & Social Media Marketing (X3)

Based on the table above, which this anova table shows the F test about this research. So as we can see the significance is 0 that is lower than 0.05, also the F count is 57.119 which is bigger than F-table (4.196). If we see the criteria for the decision making, we can say that independent variables (X1,X2,X3,X4) have a positive influence simultaneously on independent variable (Y).

3) T-Test

This test will be used to determine if the independent variable partially affects the dependent variable. The decision-making criteria for this test the hypothesis are:

- If the value of sig t table, then there is an influence of variable independent to variable dependent.
- If the value of sig >0,05 or t count < t table, then there is no influence of variable independent to variable dependent.

The following information that will be used for this test will be shown below:

- Confidence level / alpha = 0.05.
- Sample size (n) = 200.
- Number of independent variables (k) = 4.
- T-table score (0.025,195) = 1.9722

Table 6. Coefficient (Author, 2023)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,852	,863		,988	,324
	Advertising (X1)	,093	,039	,143	2,417	,017
	Sales Promotion (X2)	,157	,077	,160	2,035	,043
	Online & Social Media Marketing (X3)	,334	,077	,354	4,326	,000
	Product Attributes (X4)	,208	,069	,203	2,993	,003

a. Dependent Variable: Purchase Intention (Y)

Based on the result in the table above, which is the result of partial effect of independent variable to dependent variable. It was found that the p value of the variable advertising (X1) is 0.17, Sales promotion (X2) is 0.43, Online & Social media Marketing (X3) is 0 and Product Attributes (X4) is 0.003. Also the t count of variable advertising (X1) is 2.417, Sales promotion (X2) is 2.035, Online & Social media Marketing (X3) is 4.326 and Product Attributes (X4) is 2.993. Also the t-table is 1.9722. Then all the independent variables partially influence the dependent variables.



4) **Hypothesis Testing**

Based on the T-Testing the summary of hypothesis testing will be shown below:

Table 7. Hypothesis Testing Summary (Author, 2023)

Hypothesis	Description	Result
H1	Advertising has a positive influence on Purchase Intention.	Accepted
H2	Sales promotion has a positive influence on Purchase Intention.	Accepted
H3	Online & Social Media Marketing has a positive influence on Purchase Intention.	Accepted
H4	Product attributes have a positive influence on Purchase Intention.	Accepted

Based on the result above, all hypothesis are accepted.

**CONCLUSION**

Even though the demand for residential property is high and will continue to increase in Indonesia, the residential property need to improve their strategies to fit the market needs. They also need to make marketing strategies that reach the potential customer. In order to increase sales, the company needs to improve their advertising and sales promotion program. Also need to enter online and social media marketing to reach more target markets because even the conventional advertising is still affecting the purchase intention but the online channel having a bigger effect on the purchase intention. The last is that companies need to improve the product attributes of residential housing. This is because the advertising, sales promotion, online and social media marketing, and product attributes influencing the purchase intention. If the purchase intention is high this will increase the chance of selling products.

**RECOMMENDATION**

**A. Theoretical Implication**

The number of literature reviews of residential property business in Indonesia are limited. In this research, the author found that advertising, sales promotion, Online and social media marketing that are from marketing communication mix correlate with the purchase intention. Also product attributes influence the purchase intention of residential property context. Also this paper gives the contribution by adding empirical evidence about factors that affect the purchase intention of residential housing particularly on Bandung Barat regency.

**B. For Managerial Implication**

The residential property developer, they need to improve their Advertising and Sales Promotion program that will affect customer purchase intentions that lead to increased sales of their product. The company also needs to enter online & social media marketing to be more effective to reach the millennials generation. Because the target market for the residential property is the millennial generation. The company also needs to improve the product attributes. One of them is to improve their public facilities.

**C. For Future Research**

Limitation in this research is the number of respondents and also limited variables in the research model. These research respondents are also majority from Bandung and Jakarta city, so the research conclusion focuses on the one company that is in Bandung Barat Regency so the conclusion had regional limitations. The last is that the duration of the study is short and only at one specific time so that the study might correct just at present. The factors in the study can be determined by future researchers using a larger sample size, using another sampling technique and more varied responses. To increase the percentage of phenomena that the research model can explain, the research variables under discussion can be more varied.

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