

The Effect of Perceived Price, Location and Product Quality at Purimas Residence Purchase Decisions Batam Centre

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Abstract – In the midst of Indonesia's economic downturn during the pandemic, people tend to prioritize economic stability by minimizing spending on luxury goods. However, the reality is that there is an increase in buying and selling which affects the occupancy rate which is quite significant at Purimas Batam Center Residence. This study aims to analyze whether the perceived price, location, and product quality variables have an influence on purchasing decisions at Purimas Residence Batam Centre. This study uses quantitative techniques by collecting data through online questionnaires. The objects in this study used are residents who inhabit both as owners and or tenants at Purimas Residence Batam Centre. The total population in this study were 190 people. With a simple random sample technique, the sample obtained by the slovin formula is 129 respondents. This research uses multiple regression analysis with SPSS program. The results of this study indicate that; 1) Perceived price has a significant positive effect on purchasing decisions at Purimas Residence Batam Centre, 2) location has a significant positive effect on purchasing decisions at Purimas Residence Batam Centre, 3) Product quality has a significant positive effect on purchasing decisions at Purimas Residence Batam Centre, 4) Perceived Price, Location, and Product Quality have a significant positive effect simultaneous and significant impact on purchasing decisions with the object of research on of the Purimas Residence Batam Centre.

Keywords: Perceived Price, Location, Product Quality, and Purchase Decision.

1. INTRODUCTION

The economic conditions of the Indonesian people since the start of the pandemic tend to be unstable when the government is trying to optimize economic conditions in Indonesia. At this time the author realizes that the impact of this pandemic is very influential on all aspects, especially on the health and economic conditions of the community. With the Covid-19 pandemic, it cannot be denied that the Indonesian economy is currently unstable but

slowly recovering towards economic stabilization.

In the midst of Indonesia's economic downturn, people tend to prioritize economic stability by trying to minimize spending on luxury goods. However, in reality, there is an increase in buying and selling transactions as a significant determinant of occupancy rates in Purimas Batam Center Housing, which is marked by an increase in occupancy rates in the second and third quarters - 2021.



Houses in a cluster are now in high demand because they have exclusive designs, strategic locations, and complete internal facilities. Usually, cluster houses are equipped with facilities that can support the activities of the residents. Not only that, the facilities in cluster houses can also provide comfort and safety for residents, for example, club houses, swimming pools, playgrounds for children, 24-hour security, gate systems to green open parks. In addition, there is adequate infrastructure in cluster residences such as wide road ROW, underground power lines and clean water facilities. Of course, these facilities aim to provide maximum comfort for residents. So everything has been well planned by the developer, known as town management.

Purimas Batam Center was built in 2008 and sold out in a short span of time. And ownership status continues to change, until now it has been occupied 65 percent by owners and 25 percent by tenants. This is because Batam is one of the industrial cities, which is an integrated area in the form of a combination of industrial, residential and commercial areas with a high concentration of population activities, which is the reason why the number of tenants can balance the number of homeowners in Purimas Housing Batam Center. According to the results of the survey conducted by the author to conduct this research, this housing has been filled 90 percent consisting of approximately 190 households. Purimas Housing is one of the cluster housing without a fence that illustrates the close relationship between residents with a sense of kinship in harmony with the fact that every human being is a social being who needs each other.

2. METHODS

Type of Research

The type of research used in this research is quantitative research

Population and Sample

The population in this study were all residents who lived in Purimas Housing Batam Center, namely 190 heads of families, with the

sample used in this study as many as 129 respondents.

Data Collection Technique

The data collection techniques used in this study are:

1. Questionnaire Method

The questionnaire is a data collection technique that is done by giving a set of questions or written statements to respondents to answer. The questionnaire is an efficient data collection instrument if the researcher knows exactly the variables to be measured and knows what can be expected from the respondents [1].

2. Interview (Interview)

Interview according to Esterberg 2002 is a meeting of two people to exchange information and ideas through questions and answers, so that meaning can be constructed in a particular topic [2].

3. Observation

According to Rukajat Observation is the systematic observation and recording of symptoms that appear on the object of research [3].

4. Library Research

Literature quotation of books and written data related to writing includes theories related to price perceptions, location, product quality, and purchasing decisions.

3. RESULTS AND DISCUSSION

Results

Data Analysis Technique

Validity Test

The following are the results of the validity test:

Table 1. Validity Test Results

<u>Pernyataan</u>	<u>R Hitung</u>	<u>R Tabel</u>	<u>Kesimpulan</u>
<u>Variabel Persepsi Harga (X1)</u>			
1	0,919	0.306	Valid
2	0,927		
3	0,973		
4	0,979		
5	0,979		
6	0,911		
7	0,938		
<u>Validitas Variabel Lokasi (X2)</u>			
1	0,895	0.306	Valid
2	0,892		
3	0,892		
4	0,897		
5	0,830		
6	0,887		
7	0,740		
8	0,701		
9	0,740		
10	0,686		
11	0,895		
12	0,892		
13	0,892		
14	0,851		
<u>Variabel Kualitas Produk (X3)</u>			
1	0,858	0.306	Valid
2	0,952		
3	0,934		
4	0,912		
5	0,946		
6	0,790		
7	0,783		
8	0,958		
9	0,952		
10	0,910		
<u>Variabel Keputusan Pembelian (Y)</u>			
1	0,921	0.306	Valid
2	0,875		
3	0,840		
4	0,854		
5	0,862		
6	0,788		
7	0,855		
8	0,838		
9	0,921		

Based on Table 1, it can be seen that all r values are greater than r table. So it can be concluded that all statement items in this study are declared valid.

Reliability Test

The following are the Reliability Test results:

Table 2. Reliability Test Results

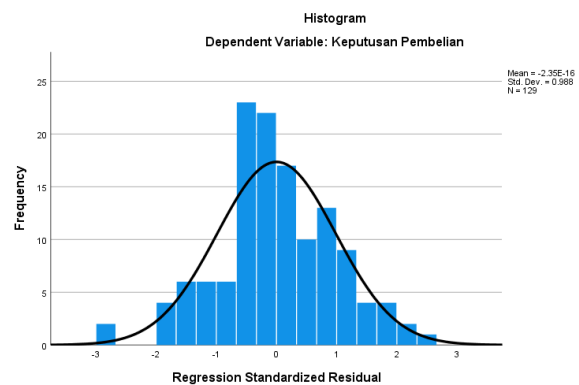
<u>Variabel</u>	<u>Cronbach's Alpha</u>	<u>N of Items</u>	<u>Keterangan</u>
<u>Persepsi Harga</u>	.980	7	<u>Reliabel</u>
<u>Lokasi</u>	.965	14	
<u>Kualitas Produk</u>	.975	10	
<u>Keputusan Pembelian</u>	.957	9	

From the results of the reliability test analysis in the table above, it is known that the Cronbach's Alpha value on the price perception variable is $0.980 > 0.7$, on the location variable of $0.965 > 0.7$ on the product quality variable of $0.975 > 0.7$, and on the purchasing decision variable of $0.957 > 0.7$. From these results it can be concluded that all statement items are reliable.

Classical Assumption Test

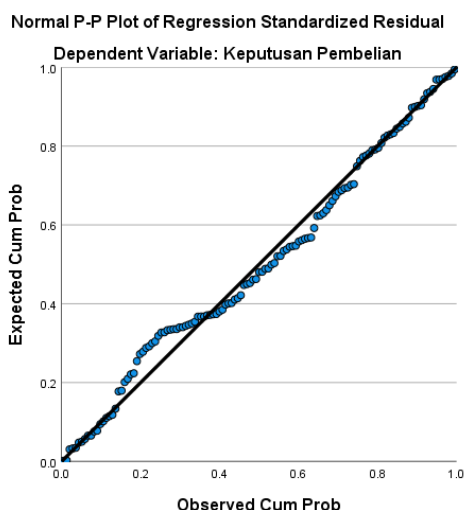
Normality Test

The following are the results of the Normality Test:



Graph 1. Histogram Normality Test

Based on the graph above, the normality test through the histogram approach shows that the variables are normally distributed, this is indicated by the distribution of the data not leaning to the left or leaning to the right.



Graph 2. P-P Plot Normality Test

Based on the graph above the normality test of the P-P Plot approach, it can be seen that the points spread around the diagonal line and follow the direction of the line. This means that the data is normally distributed.

Multicollinearity Test

The following are the results of the Multicollinearity test:

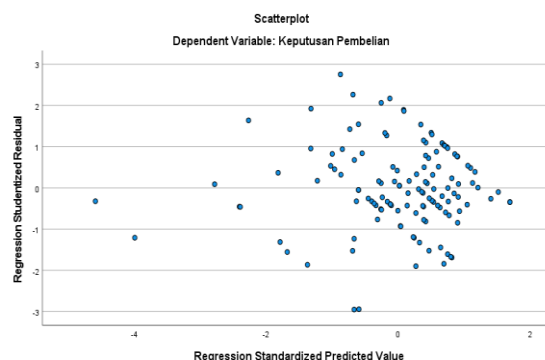
Table 3. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Persepsi Harga	.768	1.302
	Lokasi	.774	1.292
	Kualitas Produk	.864	1.157

From the table above, it is known that the tolerance and VIF values on the Price Perception variable are $0.768 > 0.10$ and $1.302 < 10$, on the Location variable $0.774 > 0.10$ and $1.292 < 10$, and on the Product Quality variable of $0.864 > 0.10$ and $1.157 < 10$. From these results it can be concluded that there is no multicollinearity between the independent variables.

Heteroscedasticity Test

The following are the results of the Heteroscedasticity test:



Graph 3. Scatterplot Variable Y

From the graph above, it is known that the points spread above and below the number 0 on the Y growth and do not form a clear pattern. From these results it can be interpreted that the data used in this study does not occur heteroscedasticity.

Hypothesis Testing

Multiple Linear Regression Analysis

The results of the regression test analysis can be arranged in the form of multiple regression equations as follows: $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$. The regression table can be described as follows:

Table 4. Multiple Linear Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.829	2.482		.334	.739
	Persepsi Harga	.435	.071	.366	6.123	.000
	Lokasi	.245	.040	.364	6.115	.000
	Kualitas Produk	.258	.042	.342	6.074	.000

Test t (Partial Test)

The following are the results of the t test (partial test):

Table 5. t-test results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	c	2.482		.334	.739
Persepsi Harga	.435	.071	.366	6.123	.000
Lokasi	.245	.040	.364	6.115	.000
Kualitas Produk	.258	.042	.342	6.074	.000

Obtained t table on 129 respondents of 1.978. Based on the output results in the table above, it can be seen that:

1. In the Price Perception variable (X1), the value of T count = 6.123 > t table 1.978 with a significance of 0.000 < 0.05, which means that Price Perception (X1) has a significant effect on Purchasing Decisions (Y) in Purimas Housing Batam Center, then H0 is rejected and Ha is accepted.
2. In the Location variable (X2), the value of T count = 6.115 > t table 1.978 with a significance of 0.000 < 0.05, which means that Location (X2) has a significant effect on Purchasing Decisions (Y) at Purimas Housing Batam Center, then H0 is rejected and Ha is accepted.
3. In the Product Quality variable (X3), the value of T count = 6.074 > t table 1.978 and significance 0.000 < 0.05, which means that Product Quality has a significant effect on Purchasing Decisions (Y) at Purimas Housing Batam Center, then H0 is rejected and Ha is accepted.

Test f (Simultaneous Test)

The following are the results of the f test (simultaneous test):

Table 6. Test Results f

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2390.039	3	796.680	79.890	.000 ^a
Residual	1246.519	125	9.972		
Total	3636.558	128			

The F table value in this study with N = 129 and the number of variables 4 is 2.68. Based on the table above, it can be seen that the value of F count = 79.890 > F table 2.68 with a

significance value of 0.000 < 0.05, then the decision that can be taken is that Price Perception (X1), Location (X2), and Product Quality (X3) simultaneously have a significant effect on Purchasing Decisions (Y), then H0 is rejected and Ha is accepted.

Determination Coefficient Test

The following are the results of the R2 test:

Table 7. Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811 ^a	.657	.649	3.158

Based on the results of the analysis, the value of R square on the variables of Price Perception (X1), Location (X2), and Product Quality (X3) simultaneously has a significant effect on Purchasing Decisions (Y) of = 0.657. the contribution of X1, X2, and X3 to Y is (R square = R square) = 0.657 X 100 = 65.7%. While the remaining 34.3% is influenced by other variables outside the variables of this study.

Discussions

Price Perception Partially Affects Purchasing Decisions

The results of the Partial test (t test) of the first hypothesis show the significance of the Price Perception variable (X1), the value of T count = 6.123 > t table 1.978 with a significance of 0.000 < 0.05, which means that Price Perception (X1) has a significant effect on Purchasing Decisions (Y) in Purimas Batam Center Housing, meaning that the first hypothesis in this research can be accepted. The results of this T test can be supported by research conducted by Titik Sri Mardiasih entitled "The Effect of Price Perception, Product Quality, and Location on Purchasing Decisions in the Market" [4]. The results of the study on the price perception variable, namely that price perception has a positive and significant effect on purchasing decisions at the Puspa Agro Jemundo market, Sidoarjo

Regency. The resulting t value is 2.756 with a significant value of 0.007.

Location Partially Affects Purchasing Decisions

The results of the Partial test (t test) of the second hypothesis show the significance of the variable Location variable (X2), the value of T count = 6.1115 > t table 1.978 with a significance of 0.000 < 0.05, which means that location (X2) has a significant effect on purchasing decisions.

Location (X2) has a significant effect on Purchasing Decisions (Y), meaning that the second hypothesis in this research can be accepted. The results of this T test can be supported by research conducted by Vionna Adipramita and Ida Bagus Cempena entitled "The Effect of Service Quality, Price Perception, and Location on Purchasing Decisions at Lancar Jaya Sekaran Gold Jewelry Store, Lamongan". The results of the study on the location variable, namely the effect of Location (X3) on Purchasing Decisions (Y) with t count 4.253. The value of t count > t table is 4.253 > 0.677, so H0 is rejected, this indicates that the location variable has a significant effect on purchasing decisions [5].

Product Quality Partially Affects Purchasing Decisions

The results of the Partial test (t test) of the third hypothesis show the significance of the Product Quality variable (X3), the value of T count = 6.074 > t table 1.978 and significance 0.000 < 0.05, which means that Product Quality has a significant effect on Purchasing Decisions (Y), meaning that the third hypothesis in this research can be accepted. The results of this T test can be supported by research conducted by Irfan Rizqullah Ariella entitled "The Effect of Product Quality, Product Price and Product Design on Mazelnid Consumer Purchasing Decisions" [6].

The results of the study on the product quality variable, namely the statistical value, show that the product quality variable (X1) has a significance value of 0.016 which is smaller than 0.05. So it can be said that product quality has a significant effect on purchasing decisions.

Price Perception, Location, and Product Quality Simultaneously Affect Purchasing Decisions

The results of the simultaneous test (F test) of the fourth hypothesis show the value of the F table in this study with N = 129 and the number of variables 4 of 2.68. Based on the table above, it can be seen that the value of F count = 79.890 > F table 2.68 with a significance value of 0.000 < 0.05, so the decision that can be taken is that Price Perception (X1), Location (X2), and Product Quality (X3) simultaneously have a significant effect on Purchasing Decisions (Y) in Purimas Housing Batam Center, which means that the fourth hypothesis in this research can be accepted.

4. CONCLUSION

The findings of the research hypothesis testing reveal several important insights regarding the factors influencing purchasing decisions at Purimas Batam Center Housing. Firstly, a positive and significant connection between price perceptions and purchasing decisions indicates that a favorable price perception among the community regarding Purimas Housing Batam Center leads to a higher likelihood of making purchasing decisions. Secondly, a positive and partially significant correlation between location and purchasing decisions highlights the importance of a prime location at Purimas Batam Center Housing, as it positively influences the decision to purchase. Thirdly, the research demonstrates a positive and significant link between product quality and purchasing decisions, emphasizing that higher product quality within Purimas Batam Center Housing contributes to increased purchasing decisions. Finally, when examining the combined impact of perceived price, location, and product quality, the study indicates that they collectively have a positive and significant influence on purchasing decisions at Purimas Housing Batam Center, suggesting that these factors work together to drive the decision-making process.

Suggestions

1. In order to maintain the reputation of

housing, it is better to set the selling and or rental prices according to the condition of the related housing units.

2. The location variable for the establishment of Purimas Batam Center Housing is very good because it is really strategic because it is close to various city center facilities, including government offices, shopping centers, schools, banks, and so on. In terms of the environment Purimas Batam Center is also good and is expected to continue to maintain comfort and harmony between good neighbors.
3. The product quality variable in Purimas Batam Center Housing is good enough with the establishment of the Lingkungan Maintenance Agency (BPL) which continues to earnestly carry out its functions and duties, but does not rule out the possibility of efforts to improve the quality that has been provided from before.
4. For academics and readers to expand research by considering other variables that influence purchasing decisions such as lifestyle, brand image, promotion and others.

5. REFERENCES

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