

## **The Effect of Promotion and Location on Purchase Decisions in Serpong Karya Cemerlang in Tangerang**

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### **ABSTRACT**

This study aims to determine the effect of promotion and location on purchasing decisions at PT. Serpong Karya Cemerlang in Tangerang. The method used is explanatory research with analysis techniques using statistical analysis with regression testing, correlation, determination, and hypothesis testing. This study's results significantly affected purchasing decisions by 38.9%; hypothesis testing obtained  $t_{count} > t_{table}$  or  $(7.906 > 1.984)$ . The location significantly affects purchasing decisions by 51.4%; hypothesis testing is obtained  $t_{count} > t_{table}$  or  $(10.176 > 1.984)$ . Promotion and location simultaneously have a significant effect on purchasing decisions with the regression equation  $Y = 9.737 + 0.260X_1 + 0.506X_2$  and the contribution of the effect is 55.8%, the hypothesis test obtained  $F_{count} > F_{table}$  or  $(61.338 > 2,700)$ .

**Keywords:** Promotion; Location; Purchase Decision.

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### **INTRODUCTION**

Generally, housing developer's types divide into 2, namely subsidized housing and non-subsidized housing which we usually call clusters (Davis, 1997; Venter et al., 2015). With these developers' existence, the government can help overcome the problem of population in residence (Coulibaly et al., 1998; Wong et al., 2021, 2021). The number of new developers who come, of course, makes the business competition even tighter. A developer will win the competition if he is active in promoting as a determinant of sales success because potential buyers can find out the developer's products. The promotional program carried out by the company will attract potential buyers to the marketed housing. Promotion is an activity carried out by a company to inform, notify, persuade, and influence consumers to choose or buy a product offered by the company and communicate well with prospective buyers (Rozi & Sunarsi, 2020; Sunarsi, 2018; Sutrisno & Sunarsi, 2019).

Promotion is all activities intended to convey or communicate a product to the target market to provide information about its features, uses, and, most importantly, its existence (Belch & Belch, 2003). Promotion is one of the marketing mix variables that are very important for companies to implement in marketing products (M. Aras et al., 2020; M Aras et al., 2018; Huang et al., 2019; Komari et al., n.d.). Meanwhile, according to (Muhammad Aras et al., 2018), promotion is a type of communication that provides convincing explanations for potential consumers about goods and services. It aims to pay attention, educate, remind, and convince potential customers.

Promotion is one-way companies provide information to consumers to have sufficient information and buy the products being sold. Lack of promotion can be an obstacle to increasing sales. For new housing developers and location promotion, it is also a problem for prospective buyers. So it can be said that location is an essential factor in finding buyers. According to (Kotler, 2017), "One of the keys to success is location; location begins with choosing a community." This decision is highly dependent on the potential for economic growth and stability, competition, the political climate, and more.

According to Chin et al.,(2008), choosing a good place or location is crucial because: 1) Place is a long-term commitment of resources that can reduce the business's future flexibility. 2) Location will influence future growth. The area selected must grow from an economic point of view to sustain the business's viability, and 3) The local environment can change over time; if the value of the location decreases, then the business location must be moved or closed.

Meanwhile, according to Chiu et al.,(2005), location is a business that significantly affects a consumer's desire to come and shop. According to August Losch (in Sofa, 2008), the seller's location is very influential; he works with several consumers. The farther away from the seller's place, consumers are increasingly reluctant to buy because the cost of transportation to get to the seller's place is getting more expensive (Gumilar & Sunarsi, 2020).

PT Serpong Karya Cemerlang always increases every month. With the company's promotion optimally and provides a minor and understanding of the location, it can attract buyers and decide to buy a house. Consumer purchasing decisions are an integrating process that combines knowledge to evaluate two or more alternative behaviors and choose one of them (Santoso et al., 2012).

Meanwhile, according to Hansen, (2005), consumer decision-making is an integrated process that combines knowledge to evaluate two or more alternative behaviors and choose one of them. In another case, according to Kotler, (2017), a purchase decision is an individual activity that is directly involved in obtaining and using the goods offered.

The development and population growth that is so fast and the number of similar developers causes potential buyers to choose affordable housing and in a more strategic location. A less strategic location will cause fewer potential buyers or disappear because potential buyers get a more strategic place. The lack of promotion carried out by marketing and the increasing complaints of buying a house at PT Serpong Karya Cemerlang. on behalf of the remote housing location and entering the Bogor Regency area, the large number of large cars heading to housing, and the relatively high prices for tiny houses, it causes the number of sales to be unstable. The number of buyers to decide to buy is low.

## METHOD

The population in this study amounted to 100 respondents PT. Serpong Karya Cemerlang in Tangerang. The sample in this study amounted to 100 respondents. The type of research used is associative, where the aim is to determine the effect of the independent variable on the

dependent variable either partially or simultaneously. The data are analyzing using instrument tests, classical assumption tests, regression, coefficient of determination, and hypothesis testing.

## RESULT AND DISCUSSION

### Descriptive Analysis

This test is used to determine the minimum and maximum score, the mean score, and each variable's standard deviation. The results are as follows:

**Table 1**  
**Descriptive Statistics Analysis Results**

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Promotion (X1)	100	32	48	38.25	3,893
Location (X2)	100	30	47	38.60	3,887
Purchase decision (Y)	100	31	47	39.20	3,654
Valid N (listwise)	100				

The promotion obtained a minimum variance of 32, also a maximum variance of 48 with a mean score of 38.25 with a standard deviation of 3.893. Locations obtained a minimum variance of 30 and a maximum variance of 47—a mean score of 38.60 with a standard deviation of 3.887. The purchase decision obtained a minimum variance of 31—a maximum variance of 47 with a mean score of 39.20 with a standard deviation of 3.654.

### Verification Analysis.

This analysis aims to determine the effect of the independent variable on the dependent variable. The test results are as follows:

### Multiple Linear Regression Analysis

This regression test is intended to determine changes in the dependent variable if the independent variable changes. The test results are as follows:

**Table 2**  
**Multiple Linear Regression Test Results**

Model	Coefficients <sup>a</sup>			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
1 (Constant)	9,737	2,696		3,612	.000
Promotion (X1)	.260	.083	.277	3,133	.002
Location (X2)	.506	.083	.538	6,093	.000

a. Dependent Variable: Purchase decision (Y)

Based on the test results in the table above, the regression equation  $Y = 9.737 + 0.260X_1 + 0.506X_2$  is obtained. From this equation, it is explained as follows:

- 1) A constant of 9.737 means that if there is no promotion and location, then there is a purchase decision value of 9.737 points.
- 2) The promotion regression coefficient is 0.260; this figure is positive, meaning that every time there is an increase in promotion of 0.260, the purchase decision will also increase by 0.260 points.
- 3) The location regression coefficient is 0.506; this number is positive, meaning that every time there is an increase in the location of 0.506, the purchase decision will also increase by 0.506 points.

### ***Correlation Coefficient Analysis***

Correlation coefficient analysis is intended to determine the level of strength of the relationship between the independent variable and the dependent variable either partially or simultaneously. The test results are as follows:

**Table 3 Correlation Coefficient Testing Results for Promotion Against Purchasing Decisions.**

<b>Correlations<sup>b</sup></b>		Promotion (X1)	Purchase decision (Y)
Promotion (X1)	Pearson Correlation	1	.624 **
	Sig. (2-tailed)		.000
Purchase decision (Y)	Pearson Correlation	.624 **	1
	Sig. (2-tailed)	.000	

The test results obtained a correlation value of 0.624 means that promotion has a strong relationship with purchasing decisions.

**Table 4  
 Test Results Correlation Coefficient of Location Against purchasing decisions**

<b>Correlations<sup>b</sup></b>		Location (X2)	Purchase decision (Y)
Location (X2)	Pearson Correlation	1	.717 **
	Sig. (2-tailed)		.000
Purchase decision (Y)	Pearson Correlation	.717 **	1
	Sig. (2-tailed)	.000	

Based on the test results, a correlation value of 0.717 means that the location has a strong relationship with purchasing decisions.

**Table 5**  
**Results of Testing the Correlation Coefficient of Promotion and Location simultaneously on purchasing decisions.**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.747a	.558	.549	2,453

a. Predictors: (Constant), Location (X2), Promotion (X1)

Based on the test results, a correlation value of 0.747 means that promotion and location simultaneously have a strong relationship with purchasing decisions.

#### Analysis of the coefficient of determination

The coefficient of determination is intended to determine the independent variable's influence on the dependent variable either partially or simultaneously. The test results are as follows:

**Table 6**  
**Determination Coefficient Testing Results for Promotion Against Purchasing Decisions.**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.624a	.389	.383	2,870

a. Predictors: (Constant), Promotion (X1)

Based on the test results, a determination value of 0.389 means that promotion has an influence contribution of 38.9% on purchasing decisions.

**Table 7**  
**Test Results of Location Determination Coefficient on Purchasing Decisions.**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.717a	.514	.509	2,561

a. Predictors: (Constant), Location (X2)

Based on the test results, a determination value of 0.514 means that the location has an influence contribution of 51.4% on the purchase decision.

**Table 8**  
**Determination Coefficient Testing Results for Promotion and Location Against Purchasing Decisions.**

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.747a	.558	.549	2,453

a. Predictors: (Constant), Location (X2), Promotion (X1)

Based on the test results, it was found that the determination value was 0.558, meaning that promotion and location simultaneously contributed 55.8% to the purchase decision, while other factors influenced the remaining 44.2%.

### Hypothesis testing

#### *Partial hypothesis test (t-test)*

Hypothesis testing with the t-test is used to determine which partial hypothesis is accepted. The first hypothesis: There is a significant influence between promotion on purchasing decisions.

**Table 9**  
**Promotion Hypothesis Test Results Against Purchasing Decisions.**

		Coefficients <sup>a</sup>			
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1	(Constant)	16,797	2,848		5,897
	Promotion (X1)	.586	.074	.624	7,906

a. Dependent Variable: Purchase decision (Y)

Based on the test results in the table above, the value of t count > t table or (7,906 > 1,984) is obtained; thus, the first hypothesis that is proposed is that there is a significant effect between promotion on purchasing decisions is accepted.

**Table 10**  
**Hypothesis Location Test Results on purchasing decisions.**

		Coefficients <sup>a</sup>		t	Sig.	
		Unstandardized Coefficients	Standardized Coefficients			
Model		B	Std. Error	Beta		
1	(Constant)	13,191	2,569		5,135	.000
	Location (X2)	.674	.066	.717	10,176	.000

a. Dependent Variable: Purchase decision (Y)

Based on the table above's test results, the value of t count > t table or (10,176 > 1,984) is obtained; thus, the second hypothesis proposed a significant effect between locations on purchasing decisions is accepted.

#### *Simultaneous Hypothesis Test (Test F)*

Hypothesis testing with the F test is used to determine which simultaneous hypothesis is accepted. The third hypothesis There is a significant influence between promotion and location on purchasing decisions.

**Table 11**  
**Hypothesis Test Results for Promotion and Location of Purchasing Decisions.**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	738,259	2	369,129	61,338	.000b
	Residual	583,741	97	6,018		
	Total	1322,000	99			

Based on the table above's test results, the calculated F value > F table or (61,338 > 2,700) is obtained; thus, the third hypothesis proposed a significant effect between promotion and location on purchasing decisions is accepted.

## Discussion

### *The Effect of Promotion on Purchasing Decisions*

The promotion has a significant effect on purchasing decisions with a correlation of 0.624 or has a strong relationship with an influential contribution of 38.9%. Hypothesis testing obtained the value of t count > t table or (7,906 > 1,984). Thus, the first hypothesis proposed a significant effect between promotion and purchasing decisions is accepted.

### *The Influence of Location on Purchasing Decisions*

The location has a significant effect on purchasing decisions with a correlation of 0.717 or has a strong relationship with an influential contribution of 51.4%. Hypothesis testing obtained the value of t count > t table or (10,176 > 1,984). Thus, the second hypothesis proposed a significant effect between locations on purchasing decisions is accepted.

### *The Effect of Promotion and Location on Purchasing Decisions*

Promotion and location have a significant effect on purchasing decisions with the regression equation  $Y = 9.737 + 0.260X_1 + 0.506X_2$ , the correlation value is 0.747 or has a strong relationship with the contribution of the influence of 55.8% while other factors influence the remaining 44.2%. Hypothesis testing obtained the value of F count > F table or (61,338 > 2,700). Thus, the third hypothesis proposed that there is a significant effect between promotion and location on purchasing decisions is accepted.

## CONCLUSION

The promotion has a significant effect on purchasing decisions with an influence contribution of 38.9%. Hypothesis test obtained value t count > t table or (7,906 > 1,984). The

location has a significant effect on purchasing decisions with an influence contribution of 51.4%. Hypothesis test obtained  $t \text{ value} > t \text{ table}$  or  $(10,176 > 1,984)$ . Promotion and location significantly affect purchasing decisions with an influence contribution of 55.8%, while other factors influence the remaining 44.2%. Hypothesis testing obtained the value of  $F \text{ count} > F \text{ table}$  or  $(61,338 > 2,700)$ .

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