

## THE INFLUENCE OF SALES PROMOTION, LOCATION AND SERVICE QUALITY ON PURCHASE DECISIONS FOR KAUMAN HOUSING, DEMAK DISTRICT

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**Abstract:** This study aims to understand the impact of sales promotion, location and service quality on purchasing decisions at Kauman Regency Housing Demak. To accomplish the stated goal, it is necessary to monitor the 70 respondents who have purchased a home in Kauman Regency Housing Demak. The methods of collecting data are interviews, questionnaires, and literature review with saturated samples. Data processing in this study uses SPSS programs Version 26. The data analysis is using validity test, reliability test, normality test, multicollinearity test, heteroscedasticity test, multiple linear regression analysis, partial t-test, F test, and coefficient of determination test. The results of the study have a positive and significant effect both partially and significantly on purchasing decisions. The results of the coefficient of determination (Adjusted R Square) of 0.598 means that sales promotion, location, and sales quality affect purchasing decisions by 59.8%, and the remaining 40.2% is influenced by other variables not examined in this study.

**Keywords:** sales promotion, location, service quality and purchasing decisions

## INTRODUCTION

### Introduction

Regional development on the island of Java has occurred in almost all cities, Demak Regency is one of them. This development occurred at several points in the region and only expanded to other areas over time (Alifya & Mardiansjah, 2020: 110-111). The metropolization process that occurred in Demak Regency was due to the construction of many factories and business places, resulting in an increase in population density due to the large number of people working in Demak Regency (Alifya & Mardiansjah, 2020: 110-111).

The development of the Demak Regency area can be seen in the increase in population density. The graph of the population density of Demak Regency can be seen in Figure 1:



Figure 1.

Population Density Chart 2011-2020

Source: <https://demakkab.bps.go.id/>

## The Influence of Sales Promotion, Location and Service Quality on Purchase Decisions for Kauman Housing, Demak Distric

Farisa Dwi Setiawati, Rustono, Isnaini Nurkhayati, Jati Nugroho

The graph of population density in Demak Regency shows that every year there has been an increase in the last 9 years. In 2011, Demak Regency had a population density of 1,192.64 people/km<sup>2</sup> and experienced a very significant increase in 2020 to 1,341.56 people/km<sup>2</sup>.

Demak Regency is one of the centers of economic growth with a high population growth rate. The increase in population that occurs naturally and through the urbanization process causes the growth of houses as a place to live to increase (Siswanto, et al. 2013: 3).

The high population growth has implications for the high demand for houses in Demak Regency. PT Hamparan Cipta Griya is a developer company engaged in real estate or housing development, this company was founded in 2007. PT Hamparan Cipta Griya has successfully completed many housing projects, both commercial housing and subsidized housing, one of which is Kauman Regency subsidized housing which has been under construction since October 2020, with a total of 175 units built with a building type of 27/60 m<sup>2</sup>, the location of the Kauman Regency project is in Kauman Village, Mranggen District, Demak Regency, Central Java.

PT Hamparan Cipta Griya needs to pay attention that the company's continued existence is not only measured by the amount of housing built but also in terms of the high public interest in buying housing. According to Naiggolan & Heryenzus (2018: 42-45) Companies must be able to know the needs and desires of consumers. So that the company can create products that match consumer expectations with that the company can easily attract consumer interest and win the market competition. The housing sales graph of PT Hamparan Cipta Griya for 17 months can be seen in Figure 2:

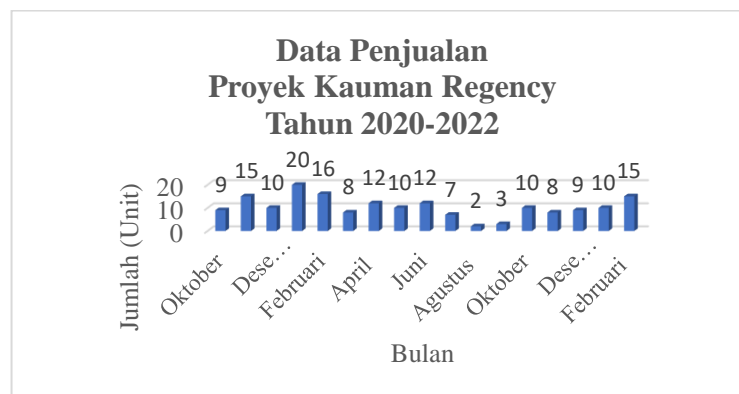


Figure 2.

### Housing sales graph

Source: PT. Hamparan Cipta Griya, 2022

Based on the data presented in Figure 2, housing sales for 17 months have fluctuated, the highest sales occurred in January 2021, namely 20 units. The lowest sales occurred in August 2021, which amounted to 2 units. The number of sales that fluctuate needs to be found where the problem occurs. This study aims to determine how the effect of sales promotion, location and service quality on purchasing decisions for Kauman Regency housing in Demak Regency.

### Research Purposes

This research was conducted with the following objectives:

1. To determine the effect of Sales Promotion on Purchasing Decisions at Kauman Regency housing, Demak Regency
2. To determine the effect of Location on Purchasing Decisions on Kauman Regency housing in Demak Regency

3. To determine the effect of Service Quality on Purchasing Decisions on Kauman Regency housing in Demak Regency

## **LITERATURE REVIEW**

### **Purchase Decision**

Kotler and Keller (2018: 184) explain that the decision-making process is a basic psychological process that plays an important role in understanding how consumers actually make purchasing decisions. According to Kotler and Armstrong (2008: 181) indicators of purchasing decisions, namely:

1. Steadiness to buy after knowing product information
2. Deciding to buy because of the most preferred brand
3. Buying because it suits your wants and needs
4. Buying because of recommendations from other people
5. Payment method

### **Sales Promotion**

According to (Tjiptono, 2008: 230) sales promotion is a form of direct persuasion using promotional tools that encourage customers to make purchases immediately. The purpose of sales promotion is to tell, persuade and remind consumers to buy the products we are promoting. According to Kotler and Keller (2016: 520) sales promotion indicators, namely:

1. Coupon
2. discounts
3. Rewards for consumers who provide purchase testimonials
4. Cashback
5. Contest and sweepstakes

### **Location**

Location selection is an important competitive factor in attracting consumers or customers (Tresnanda et al, 2014) in Harjanto (2016: 376-381). According to Tabroni and Komarudin (2021, 151-164) suggest that the geographical position determined by the development company to build housing is referred to as location. Indicators of location variables according to Kotler and Armstrong (2012: 15) are as follows:

1. Traffic flow around the location is smooth
2. Strategic location
3. Easy to reach point of sale
4. Availability of adequate parking space
5. Safe neighborhood situation.

### **Service Quality**

According to Cashmere (2017: 64), the definition of service quality is as follows: "Service quality is the company's ability to provide services that can provide satisfaction to customers according to their needs and desires. This means that customers will feel satisfied and increase their transactions from time to time ". According to Tjiptono (2019: 305) service quality indicators, namely:

1. Reliability, namely the ability to provide the promised service promptly, accurately and satisfactorily
2. Responsiveness, namely the desire of staff to help customers and provide services responsively
3. Assurance, which includes the knowledge, competence, courtesy and trustworthiness of the staff: free from danger, risk or doubt
4. Empathy, which includes ease of establishing relationships, good communication, personal attention and understanding of the individual needs of customers

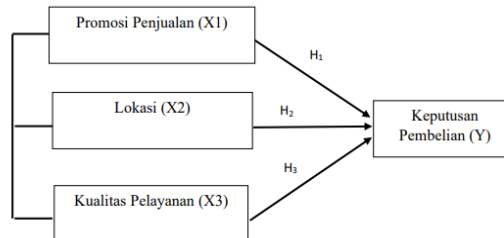
# The Influence of Sales Promotion, Location and Service Quality on Purchase Decisions for Kauman Housing, Demak Distric

Farisa Dwi Setiawati, Rustono, Isnaini Nurkhayati, Jati Nugroho

5. Physical evidence (tangibles), which includes physical facilities, equipment, employees and means of communication

## Theoretical Framework

This study has independent variables Sales Promotion, Location and Service Quality, with the dependent variable being Purchasing Decisions. The following is the framework for this research:



**Figure 3.**  
**Theoretical Framework**  
**Source: Data processed, 2022**

## RESEARCH METHODOLOGY

The population in this study were users or consumers who purchased Kauman Regency housing in Demak Regency, namely 70 people. This study uses a saturated sample or census, where all members of the population are sampled. The number of variables in this study is 4 which consists of 3 independent variables and 1 dependent variable. The scale used in this study is Semantic Differential. The analysis methods used are validity test, reliability test, classical assumption test, t-test, model fit test, multiple linear regression analysis, and coefficient of determination with the help of the SPSS version 26 application.

## RESULTS AND ANALYSIS

### Validity Test

The validity test is carried out by comparing the results of the r count with r table. The validity test results are the value of  $r \text{ count} > r \text{ table}$ , so all questionnaire statement items in this study are valid.

### Reliability Test

According to Ghazali (2018: 52) Reliability is a measuring tool used to measure a questionnaire which is an indicator of a variable. The decision-making for reliability testing is that a construct or variable is declared reliable if it provides a Cronbach Alpha value  $> 0.70$ . The results of the reliability level test can be seen in Table 1:

**Table 1.**  
**Reliability Test**

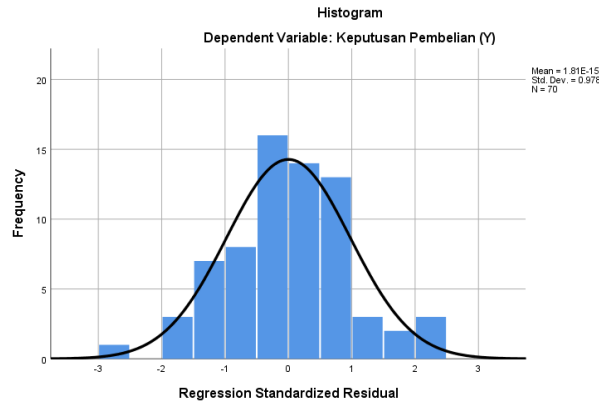
Cronbach's Alpha	N of Items
0.876	20

**Source: Primary data processed, 2022**

Based on table 1, the Cronbach's alpha value of 0.773 is greater than 0.70, which means that all variable indicators studied are declared reliable or reliable.

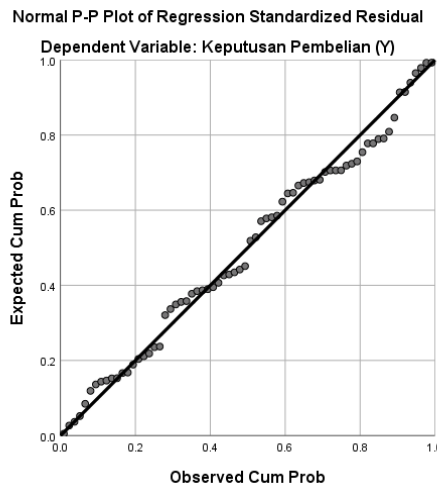
### **Classical Assumption Test Normality**

The normality test can be seen from the histogram graph and plot graph or it can also be the Kolmogorov- Smirnov test, it can be seen in the following figure:



**Figure 4.  
Histogram  
Source: Primary data processed, 2022**

The results of the P-P plot of Regression Standarized Residual graph test were tested using the SPSS version 26 software:



**Figure 5.  
Normal P-P Plot Of Regression Standarized Residual  
Source: Primary data processed, 2022**

Based on Figure 7 histogram and Figure 8 P-Plot graph, the data spreads around the diagonal line and follows the direction of the diagonal line, it can be concluded that the regression model has a normal distribution.

The following are the results of the Kolmogorov-Smirnov Test using SPSS version 26:

**Table 2.**  
**The Results of The Kolmogorov-Smirnov Test**  
**One-Sample Kolmogorov-Smirnov Test**

	Unstandardized Residual
N	70
Asymp. Sig. (2-tailed)	.200 <sup>c,d</sup>

**Source: Primary data processed, 2022**

Based on table 2 of the Kolmogorov-Smirnov test results, the significance value of 0.200 is greater than 0.05. This shows that if the regression model is consistent the results have a normal distribution.

### **Multicollinearity**

To detect multicollinearity can be seen in the VIF value, if the VIF value <10 then there are symptoms of multicollinearity. And vice versa if the VIF value > 10 then there is no multicollinearity. This study shows that the VIF value of the three variables is <10 and the tolerance value > 0.1, so in this model there are no or free from multicollinearity symptoms.

### **Heteroscedasticity**

This study, shows that the points do not form a certain pattern and the points spread above and below the number 0 on the Y axis. This shows that the regression model does not occur heteroscedasticity.

### **Multiple Linear Regression Test**

This multiple linear regression analysis is used to calculate the effect of independent variables, namely sales promotion (X1), location (X2) and Service Quality (X3) on the dependent variable, namely purchasing decisions (Y). Based on the results of these calculations, the results are obtained in Table 3:

**Table 3.**  
**Multiple Linear Regression Analysis Results**

Model	Unstandridized Coefficient	
	B	Std. Error
Constant	5.954	3.445
Promosi Penjualan	.920	.123
Lokasi	.374	.142
Kualitas Pelayanan	.267	.100

**Source: Primary data processed, 2022**

Based on table 5, the regression equation can be arranged as follows:

$$\text{Linear equation } Y = 5,954 + 0,920X_1 + 0,374X_2 + 0,267X_3$$

### **Partial t-test**

The characteristics of the t-statistical test (Gozali, 2016): If the sig value of the t-test > 0.05 then Ho is accepted and Ha is rejected. This means that there is no influence between the independent variable on the dependent variable. If the sig value of the t-test <0.05 then Ho is

**The Influence of Sales Promotion, Location and Service Quality on Purchase Decisions for Kauman Housing, Demak Distric**

Farisa Dwi Setiawati, Rustono, Isnaini Nurkhayati, Jati Nugroho

rejected and  $H_a$  is accepted. This means that there is an influence between the independent variable and the dependent variable. The following are the results of the t-test calculation using the SPSS version 26 program:

**Table 4.**  
**Partial t-test Result**

Model	Unstandridized Coefficient		
	Beta	t	Sig.
Constant		1.728	.089
Promosi Penjualan	.848	7.482	.000
Lokasi	.316	2.672	.001
Kualitas Pelayanan	.256	2.676	.009

**Source: Primary data processed, 2022**

**Model Fit Test**

The confidence level used is 0.5 or 5%. Decision-making is seen from this test by looking at the F test value contained in the Anova table, the significance level used is 0.05. The results of the F test can be seen in Table 5:

**Table 5.**  
**F Test Result**

Model	F	Sig.
Regresion	35.175	.000
Residual		
Total		

**Source: Primary data processed, 2022**

Based on table 5, it can be seen that the Fcount is 35.175 with a significance value of 0.000, which means that  $F_{count} > F_{table}$  ( $35.175 > 2.74$ ) and a significance value of  $0.000 < 0.05$ , it can be concluded that the variables of sales promotion, location and service quality simultaneously have a positive and significant effect on purchasing decisions at Kauman Regency Housing, Demak Regency.

**Coefficient of Determination (R<sup>2</sup>)**

Adjusted R square results with statistical calculations using SPSS 26:

**Table 6.**  
**Adjusted R Square Results**

R	R Square	Adjusted R Aquare
0.784	0.615	0.598

**Source: Primary data processed, 2022**

Based on the results of table 6, shows the results of the correlation R, which is generated 0.784 or 78.4%, meaning that it has a strong relationship. The coefficient of determination (Adjusted R Square) is 0.598. This means that all the independent variables of sales promotion (X1), location (X2) and Service Quality (X3) contribute to the dependent variable purchasing decisions (Y) by 59.8%, while the remaining  $100\% - 59.8\% = 40.2\%$  is influenced by other factors not examined in this study.



## **CONCLUSION**

Based on the research conducted, the conclusions can be drawn as follows:

1. Sales Promotion (X1) partially has a positive and significant effect on Purchasing Decisions (Y)
2. Location (X2) partially has a positive and significant effect on Purchasing Decisions (Y)
3. Service Quality (X3) partially has a positive and significant effect on purchasing decisions (Y)
4. From the calculation of the Fit Model test, the results show that sales promotion, location and service quality simultaneously have a positive and significant effect on purchasing decisions
5. The multiple linear regression equation obtained from the results of this study is  $Y = 5.954 + 0.920X1 + 0.374X2 + 0.267X3$  Based on this equation, it can be seen that the independent variables, namely sales promotion, location and service quality, have a positive relationship direction towards purchasing decisions, meaning that if sales promotion, location and service quality increase, it will have an impact on increasing purchasing decisions on Kauman Regency Housing, Demak Regency.
6. The result of the coefficient of determination or Adjusted R Square is 0.598. This means that the independent variables, namely sales promotion (X1), location (X2) and service quality (X3) affect purchasing decisions (Y) by 59.8%, while the remaining 40.2% is influenced by other variables not examined in this study.

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