

The Influence of Price, Design, and Location on Consumers' Purchase Decisions of Residential Housing Products

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Abstract

Marketing management is the science of selecting target markets and achieving and retaining them by creating and delivering superior customer value, thereby creating satisfaction. The purpose of this study is to determine the effect of price, design, and location on consumer purchasing decisions for housing products in Dwija Regency, Jalan Ir. H. Juanda, Ponorogo. The sample is a consumer in the Dwija Regency Ponorogo housing estate who has purchased or who has occupied housing using the saturated sample technique and a sample of 55 respondents. The analysis used in this study uses multiple linear regression analysis using the SPSS 22 program. This study resulted in a partial test (t) for model 1 as follows: price (X1) = 0.020, design (X2) = 0.014, and location (X3) = 0.024.

Keywords: Price, Design, Location, Buying Decision, SPSS

1. Introduction

In the current era of globalization, which is increasingly characterized by free trade, firms are required to prepare themselves with well-developed and comprehensive production factors. This phenomenon has intensified competition not only at the national level but also across global markets, compelling companies to adopt effective strategies to remain competitive.

In Indonesia, investment in the property sector has continued to grow annually, as property investment is widely regarded as a promising and profitable venture. This condition is supported by relatively low interest rates and strong market demand. The growth of the property sector is also driven by the expansion of the middle-income population in Indonesia, which has led to a significant increase in demand for residential housing.

At present, the growth of the housing sector in Indonesia can be considered rapid, primarily due to increasing public demand for housing that meets diverse levels of need. In East Java, population growth has resulted in a rising demand for residential housing. However, the availability of land has gradually become more limited, leading to higher land and housing prices. Consequently, many individuals are unable to purchase houses and instead rely on renting or leasing accommodation. In some cases, this situation has encouraged the emergence of informal or unregulated housing as an alternative means of shelter.

The growing demand for housing in Ponorogo has encouraged property developers and housing organizations to propose alternative solutions that offer livable, comfortable,



affordable housing with easy accessibility. Developers have begun to identify potential areas with sufficient land availability that are located near urban centers, enabling residents who work or conduct daily activities in the city to access their workplaces more conveniently.

Dwija Regency Ponorogo is one of the residential housing developments that adopts a modern and minimalist design concept. Developed by KPRI (Teachers' Cooperative of Ponorogo Regency), this housing complex emphasizes comfort and a green, pleasant environment to enhance residents' quality of life. Located on Ir. H. Juanda Street, Ponorogo, Dwija Regency offers good accessibility, as it is situated close to the city square of Ponorogo. Despite its strategic location, the residential area maintains a secure and comfortable living environment by providing 24-hour security, a single-entry gate system, playground facilities, and a prayer facility (mushola).

Consumer purchasing behavior can vary significantly across countries and cities, as individuals possess different preferences, attitudes, and perceptions toward products, including housing (Arif, 2026; Sahabuddin et al., 2024). This diversity is also evident in Ponorogo. Generally, producers determine price levels based on specific objectives and strategic considerations. Dwija Regency housing offers several attributes that attract consumers, particularly its relatively affordable pricing for the local community. To maintain market share, companies must formulate appropriate marketing strategies and should not disregard consumer feedback. Consumers play a crucial role in achieving a company's ultimate objective, namely, generating profit through product purchases (Arif et al., 2026). Therefore, housing developers need to understand the factors that influence consumers' purchase decisions, particularly in the context of Dwija Regency housing in Ponorogo.

Fundamentally, property ownership is classified as a primary need, as housing represents a basic human necessity. As a result, the property business in Indonesia, including in Ponorogo, presents substantial opportunities. Many consumers prefer purchasing houses within residential developments rather than building their own homes. This preference is influenced by several factors, as constructing a house independently requires land ownership and significant financial resources, which are not accessible to all individuals. In contrast, purchasing a house in a residential complex allows consumers to select housing types that align with their financial capabilities. Additionally, housing purchases can be facilitated through various payment schemes, such as mortgage financing (Kredit Pemilikan Rumah/KPR), full cash payments, or installment-based cash payments.

2. Literature Review

2.1. Price

According to Philip Kotler, price is defined as the amount of money charged for a product or service, meaning that price represents the amount of value that must be paid by consumers in order to own or obtain the benefits of a product or service (Sahabuddin et al., 2023; Yuliastuti, 2025). Price has five indicators, namely the comparison of price with other products, the suitability of price with product quality, price affordability, the overall assessment of price, and consumer responses to price increases.

2.2. Design

According to Kotler, design is the totality of features that influence the appearance, feel, and function of a product based on customer needs. Design has five indicators, namely conformity quality, durability, test resistance, ease of repair, and model.

2.3. Place

Place or location refers to a company's activities in making a product available to consumers at the right time and in the right place. A place or location has five indicators, namely access, visibility, spacious and secure parking facilities, expansion potential, and the surrounding environment.

2.4. Purchasing Decision

Purchase decision, according to Kotler and Keller (2012), is defined as the decision stage in which consumers actually make the purchase of a product. The indicators of purchase decision according to Kotler and Keller (2012) include providing recommendations to others, confidence in a product, confidence in purchasing after obtaining product information, activities before purchasing, and post-purchase behavior.

2.5. Research Framework

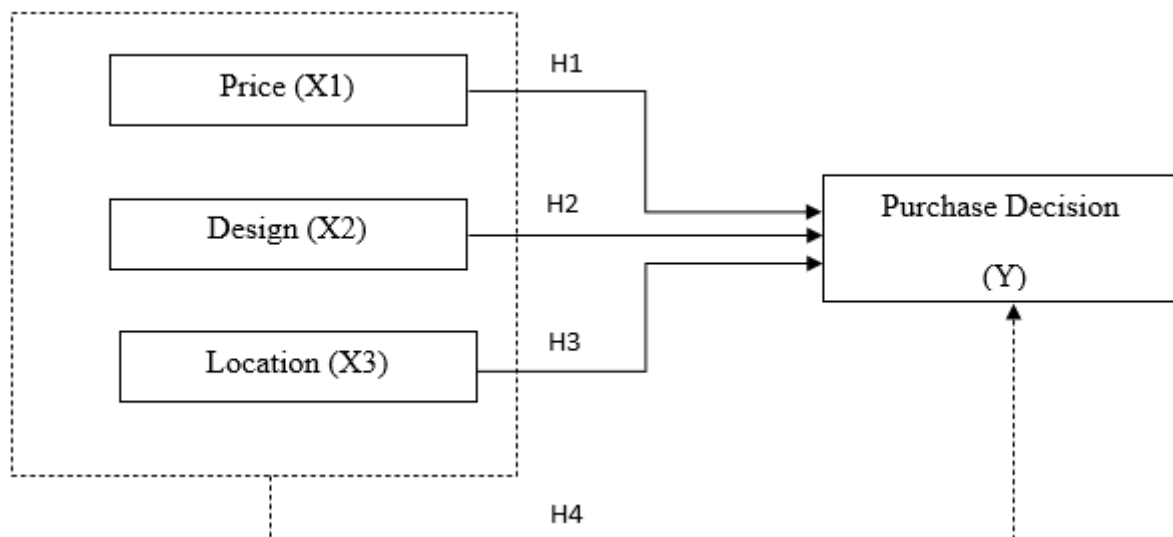


Figure 1. Research Framework

A hypothesis is a temporary answer to a research problem that must be tested and proven through collected data (Sugiyono, 2017). The hypotheses proposed in this study are as follows:

1. The relationship between price and purchase decision

Previous research conducted by Grace Marleen Wariki (2015) proves that price has a positive effect on purchase decisions in residential housing products, meaning that transparent and well-communicated pricing information can increase consumers' purchase interest. Therefore, the hypothesis formulated in this study is:

H1: Price is presumed to affect purchase decisions.

2. The relationship between design and purchase decision

Previous research by Mar'atul Fatimah (2020) demonstrates that design has a positive effect on purchase decisions in residential housing products. This indicates that

good design can enhance consumers' purchase decisions. Thus, the hypothesis formulated in this study is:

H2: Design is presumed to affect purchase decisions.

3. The relationship between location and purchase decision

Prior research by Grace Marleen Wariki (2015) shows that location has a positive effect on purchase decisions in residential housing products, indicating that a strategic location can increase consumers' purchase decisions. Therefore, the hypothesis formulated in this study is:

H3: Location is presumed to affect purchase decisions.

4. The relationship between price, design, and location and the purchase decision

Based on the formulation of Hypothesis 1, Hypothesis 2, and Hypothesis 3, the researcher draws the following conclusion:

H4: Price, design, and location are presumed to affect purchase decisions.

3. Method

This research was conducted at the Dwija Regency Ponorogo residential housing complex, located on Ir. H. Juanda Street, Tonatan District, Ponorogo Regency. In general, the object of this study focused on the consumers of the company. The population used in this study consisted of consumers who had already purchased or were currently residing in Dwija Regency, Ponorogo, totaling 55 consumers. This study employed a non-probability sampling technique using saturated sampling, in which all members of the population were included as the sample. Therefore, this study used 100% of the population at Dwija Regency, Ponorogo, consisting of 55 respondents. Data collection involved both primary and secondary data. Primary data were obtained through observation, interviews, and the distribution of questionnaires to consumers at Dwija Regency, Ponorogo. Secondary data were collected through literature studies and documentation. The data analysis method used in this study was a quantitative approach, with statistical analysis conducted using SPSS version 22.

3.1. Instrument Testing

Instrument testing in this study consisted of validity and reliability tests. The validity test refers to the extent to which an instrument can accurately measure what it is intended to measure, meaning that a valid instrument is an appropriate tool for obtaining valid data (Sugiyono, 2017). The criteria used were that if the calculated r-value (r count) is greater than the r-table value, the data or questionnaire item is considered valid, whereas if the calculated r-value is less than the r-table value, the data or questionnaire item is considered invalid. The reliability test refers to the degree to which a measurement instrument can be trusted or relied upon; in other words, it indicates the consistency of measurement results when repeated two or more times on the same object or phenomenon.

3.2. Data Analysis Tools

The data analysis tools used in this study included multiple linear regression analysis and the coefficient of determination (R^2). Multiple linear regression analysis was used to measure the extent to which the independent variables (X) influence the dependent variable (Y). The coefficient of determination is an analysis used to assess how well the model's ability explains the variation in the dependent variable (Y), with the value of the coefficient of determination ranging between 0 and 1 (Sugiyono, 2017).

3.3. Hypothesis Testing

Hypothesis testing in this study consisted of partial testing (t-test) and simultaneous testing (F-test). The partial test was used to determine the extent to which each independent variable individually affects the dependent variable (Sugiyono, 2017). The significance level applied in this study was 5%. If the probability significance value was less than 5%, H_0 was accepted, whereas if the probability significance value was greater than 5%, H_0 was rejected. The decision criteria were that if the t significance value was greater than 0.05 or the calculated t-value was less than the t-table value, the variable had no significant effect, whereas if the t significance value was less than 0.05 or the calculated t-value was greater than the t-table value, the variable had a significant effect. The F-test was used to determine whether all independent variables (X) included in the regression model simultaneously influenced the dependent variable (Y). The hypotheses for the F-test were formulated as follows: $H_0: \beta_1 = \beta_2 = \beta_3 \dots \beta_i = 0$, meaning that simultaneously the independent variables (X) did not have a significant effect on the dependent variable (Y); and $H_a: \beta_1 \neq \beta_2 \neq \beta_3 \dots \beta_i \neq 0$, meaning that simultaneously the independent variables (X) had a significant effect on the dependent variable (Y).

4. Results and Discussion

4.1. Instrument Test Result

1. Validity Assessment

Table 1 presents the distribution of respondents based on gender. This classification is intended to provide an overview of the gender composition of employees at CV. Subur Makmur, which is important for understanding the demographic characteristics of the research sample.

Table 1. Validity Test Result

Variable	Item	r-value (calculated)	r-table	Interpretation
Price (X1)	1	0.470	0.2656	Valid
	2	0.436	0.2656	Valid
	3	0.534	0.2656	Valid
	4	0.594	0.2656	Valid
	5	0.331	0.2656	Valid
Design (X2)	1	0.707	0.2656	Valid
	2	0.743	0.2656	Valid
	3	0.484	0.2656	Valid
	4	0.791	0.2656	Valid
	5	0.742	0.2656	Valid
Location (X3)	1	0.705	0.2656	Valid
	2	0.728	0.2656	Valid
	3	0.557	0.2656	Valid

	4	0.768	0.2656	Valid
	5	0.711	0.2656	Valid
Purchase Decision (Y)	1	0.444	0.2656	Valid
	2	0.849	0.2656	Valid
	3	0.771	0.2656	Valid
	4	0.647	0.2656	Valid
	5	0.284	0.2656	Valid

Source: Primary Data Analyzed by SPSS

Based on Table 1, it can be seen that all instruments are declared valid because the calculated r-values are greater than the r-table values.

2. Reliability Assessment

Table 2. Cronbach Alpha Result

Variable	Cronbach's Alpha	Criterion	Interpretation
Price (X1)	0.635	0.600	Reliable
Design (X2)	0.774	0.600	Reliable
Location (X3)	0.774	0.600	Reliable
Purchase Decision (Y)	0.731	0.600	Reliable

Source: Primary Data Analyzed by SPSS

Based on Table 2, it can be seen that all variables are declared reliable because the Cronbach's alpha values are greater than 0.60.

4.2. Data Analysis

a) Multiple Linear Regression Result

Table 3. Multiple Linear Regression Result

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,457	2,814		,518	,607
	Price	,356	,149	,271	2,392	,020
	Desgin	,252	,099	,309	2,552	,014
	Location	,251	,108	,290	2,328	,024

a. Dependent Variable: Keputusan Pembelian

Source: Primary Data Analyzed by SPSS

The regression results summarized in Table 3 can be formulated into the following regression equation:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

$$Y = -1.457 + 0.356X_1 + 0.252X_2 + 0.251X_3 + 2.814$$

The equation can be explained as follows:

- Constant value (a) = -1.457

This value indicates that when the price (X₁), design (X₂), and location (X₃) variables are equal to zero, the purchase decision remains constant at -1.457 units.

This value represents the influence of other variables not included in the regression model.

- Regression coefficient of price (X_1) = 0.356

The analysis shows that the regression coefficient for the price variable is 0.356. This means that every one-unit increase in the price variable will lead to an increase in the purchase decision by 0.356 units, assuming that other variables in the study are held constant.

- Regression coefficient of design (X_2) = 0.252

The analysis indicates that if the design variable increases by one unit, it will result in an increase in the purchase decision by 0.252 units, assuming that other variables in the study are held constant.

- Regression coefficient of location (X_3) = 0.251

The analysis shows that if the location variable increases by one unit, it will result in an increase in the purchase decision by 0.251 units, assuming that other variables in the study are held constant.

b) Coefficient Determination (R^2)

Table 4. Coefficient of Determination Result

Model Summary				
Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	,676 ^a	,457	,425	1,45844

a. Predictors: (Constant), Lokasi, Harga, Desain

Source: Primary Data Analyzed by SPSS

Based on the table above, it is known that the coefficient of determination is indicated by an R-square value of 0.457, which means that the ability of the independent variables to explain the dependent variable is 45.7%, while the remaining 54.3% is contributed by other variables not examined in this study.

4.3. Hypothesis Testing

a) T Test (Partial)

Table 4. T-Test Result

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,457	2,814		,518	,607
	Price	,356	,149	,271	2,392	,020
	Desgin	,252	,099	,309	2,552	,014
	Location	,251	,108	,290	2,328	,024

a. Dependent Variable: Keputusan Pembelian

Source: Primary Data Analyzed by SPSS

Based on the table above, it can be seen that the calculated t-values are greater than the t-table value of 1.980 with a significance level of less than 0.05, indicating that the hypotheses are accepted.

- a. Based on the analysis results, the significance value for the effect of the price variable on purchase decisions is $0.020 < 0.05$, and the calculated t-value is $2.392 >$ the t-table value of 2.005, thus it can be concluded that there is a significant effect of price on purchase decisions.
- b. Based on the analysis results, the significance value for the effect of the design variable on purchase decisions is $0.014 < 0.05$, and the calculated t-value is $2.552 >$ the t-table value of 2.005; it can be concluded that there is a significant effect of design on purchase decisions.
- c. Based on the analysis results, the significance value for the effect of the location variable on purchase decisions is $0.024 < 0.05$, and the calculated t-value is $2.328 >$ the t-table value of 2.005, thus it can be concluded that there is a significant effect of location on purchase decisions.

b) F Test (Simultaneous)

Table 6. F-Test Result

		ANOVA ^a				
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	91,448	3	30,483	14,331	,000 ^b
	Residual	108,480	51	2,127		
	Total	199,927	54			

a. Dependent Variable: Keputusan Pembelian
 b. Predictors: (Constant), Lokasi, Harga, Desain

Source: Primary Data Analyzed by SPSS

The calculation shows that the significance value is $0.000 < 0.05$ and the calculated F-value is $14.331 >$ the F-table value of 4.030; therefore, it can be concluded that H_0 is rejected and H_a is accepted. This indicates that the independent variables, namely price (X_1), design (X_2), and location (X_3), simultaneously have a significant effect on the dependent variable, namely purchase decision.

4.4. Discussion

a) The Effect of Price (X_1) on Purchase Decision (Y) for Dwija Regency Housing Products in Ponorogo

The price of Dwija Regency housing products in Ponorogo is highly consistent with consumer expectations. In general, it has been implemented well and provides a sense of comfort, supported by fairly complete facilities. This condition causes price to have a significant partial effect on purchase decisions.

b) The Effect of Design (X_2) on Purchase Decision (Y) for Dwija Regency Housing Products in Ponorogo

The design of Dwija Regency housing products in Ponorogo is highly aligned with consumer expectations. A good and elegant design is strongly favored by consumers, which leads to design having a significant partial effect on purchase decisions.

c) The Effect of Location (X_3) on Purchase Decision (Y) for Dwija Regency Housing Products in Ponorogo

The location of Dwija Regency housing in Ponorogo is very strategic and easy to find because it is situated along a main road. The surrounding environment is highly supportive, and the supporting facilities are quite complete, which causes the location to have a significant partial effect on purchase decisions.

5. Conclusion

- a) Based on the results of the first hypothesis test, price (X_1) has a positive and significant effect on the purchase decision of Dwija Regency housing products in Ponorogo.
- b) Based on the results of the second hypothesis test, design (X_2) has a positive and significant effect on the purchase decision of Dwija Regency housing products in Ponorogo.
- c) Based on the results of the third hypothesis test, location (X_3) has a positive and significant effect on the purchase decision of Dwija Regency housing products in Ponorogo.

6. Recommendations

For KP-RI “KGKP” as the manager of Dwija Regency housing in Ponorogo, it is recommended to pay greater attention to product pricing in comparison with other housing developers, as there are currently many competitors offering residential housing at lower prices. In addition, the company is encouraged to further improve housing designs to make them more attractive, as many consumers currently prefer elegant and minimalist designs. This aspect is crucial in influencing consumers’ purchase decisions. Furthermore, the company should also pay greater attention to the visibility of the housing location by improving the existing entrance gate, which has become worn and less noticeable, so that the housing complex is easier to find, especially since it is currently obscured by buildings located in front of the site. For future researchers who are interested in examining price, design, location, and purchase decisions, it is suggested to further develop this research by including additional variables in order to obtain more comprehensive and robust research findings.

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