



The Effect of Location, Design, Price, Promotion on Housing Purchase Decisions in Pasuruan Grand City

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Abstract

Purpose: This study aims to analyze the effects of location, building design, price, and promotion on housing purchase decisions at Pasuruan Grand City Housing, with purchase intention acting as an intervening variable.

Research Methodology: A causal research design was employed. The population comprised all 200 housing units purchased at Grand City, with a sample of 60 respondents determined using the Slovin formula. Data collection was conducted through structured questionnaires, and hypothesis testing was performed using multiple linear regression and the Sobel test to assess mediating effects.

Results: The results indicate that location, building design, and price have significant positive effects on purchase decisions, both directly and through purchase intention. Promotion via social media did not show a significant effect on either purchase intention or purchase decision. Purchase intention itself significantly mediates the relationships between location and price with purchase decision.

Conclusions: Location and building design are primary determinants that enhance buyer perceptions of convenience and comfort, while price affects affordability perception. Purchase intention serves as a key psychological mediator that converts favorable perceptions into actual purchasing behavior.

Limitations: The study is limited by the sample size and geographic scope, focusing solely on Grand City Housing, which may limit generalizability. The influence of broader social and economic factors was not fully explored.

Contributions: This study provides practical insights for housing developers in designing integrated marketing strategies that combine physical housing attributes with digital promotion and contributes theoretically to understanding purchase intention as a mediator in real estate consumer behavior.

Keywords: Building Design, Location, Price, Purchase Intention, Promotion

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1. Introduction

Rapid urbanization and population growth in Indonesia have significantly increased the demand for residential housing, particularly in urban and suburban areas (BuHamdan et al., 2022; Perdaman & Zhai, 2024). This rising demand has intensified competition among housing developers, who are increasingly required to offer not only functional and aesthetic residential units but also value-added services and innovative marketing strategies to attract and retain buyers. Strategic location, building design quality,

competitive pricing, and digital promotion, especially via social media, have become critical determinants of consumer decision-making in the housing sector (Maleisev & Cherry, 2021; Wong et al., 2019).

Pasuruan Grand City, a growing residential development in East Java, presents a unique case in which these factors converge to influence consumer purchasing behavior. The housing market is characterized by multifaceted consumer preferences that integrate both rational and emotional considerations (Gou et al., 2025; Montañana et al., 2024). Consumers evaluate not only tangible attributes, such as proximity to facilities and quality of construction, but also intangible elements, including lifestyle alignment, social recognition, and perceived prestige associated with residential ownership (Gui et al., 2022). Consequently, understanding the drivers of purchase behavior requires a holistic analysis that combines external housing attributes with internal psychological factors (Asmal, 2025).

In this context, purchase intention plays a pivotal role as a mediating variable that bridges marketing attributes and actual buying decisions. The study adopts the Theory of Planned Behavior (TPB), which posits that an individual's intention to perform a behavior is a primary determinant of the actual behavior (Adiyoso & Wilopo, 2021; Shalender & Sharma, 2021; Sujood et al., 2022). Intentions are influenced by attitudes toward the behavior, subjective norms, and perceived behavioral control (Ahmed & Al Ali, 2023; Sussman & Gifford, 2019). In housing purchases, positive perceptions of location, building design, pricing, and promotional credibility contribute to stronger purchase intentions, which in turn increase the likelihood of actual transactions. This framework allows researchers to capture the interplay between objective property characteristics and subjective consumer evaluation, providing a more nuanced understanding of residential decision-making (Ali et al., 2021; Da Silva et al., 2020; Naeem & Rana, 2025).

Moreover, housing developers increasingly utilize social media and digital marketing to influence consumer perceptions, create brand awareness, and facilitate information dissemination (Ali et al., 2023; Sussman & Gifford, 2019). Although these tools offer cost-effective and broad-reaching channels for engagement, their effectiveness depends on the integration with tangible product attributes and strategic positioning in the market (Camacho et al., 2025). Research indicates that while digital promotion can enhance awareness, consumers' final purchase decisions often remain strongly influenced by physical characteristics, location convenience, and affordability (Gui et al., 2022; Si et al., 2020; Wong et al., 2019).

The present study focuses on the Pasuruan Grand City Housing Complex to analyze how location, building design, pricing, and social media promotion influence housing purchase decisions, with purchase intention serving as an intervening variable. By examining these relationships, this research aims to provide both theoretical and practical contributions. The findings are expected to inform developers on designing marketing strategies that are consumer-oriented, evidence-based, and capable of enhancing purchase intention, thereby increasing sales performance and customer satisfaction. Additionally, this study contributes to the broader literature on residential consumer behavior by integrating psychological mediators with external marketing attributes in emerging urban housing markets.

2. Literature Review

2.1 Effect Location in Purchase Decision

The decision to purchase a house in a specific location is influenced by the complex interplay of economic, geographical, psychological, and social factors. These factors encompass economic considerations, geographical location, neighborhood and community characteristics, and psychological and social influences (Theocharis & Tsekouropoulos, 2025). These findings indicate that the better consumers perceive a housing location, the greater the likelihood of a purchase decision (Ayoola et al., 2023). Furthermore,

location has been shown to foster strong purchasing interest, ultimately strengthening the overall purchase decision. Therefore, selecting the right location is a key strategy for residential property development and marketing (Tu et al., 2017).

2.2 Effect Building Design in Purchase Decision

Building design plays a crucial role in shaping consumer perceptions and preferences in the housing market (Velaoras et al., 2025). It encompasses various elements, including architectural style, functional layout, aesthetic appeal, ventilation, lighting, and environmental friendliness. For modern consumers, especially those in urban settings, building design reflects both lifestyle and values, making it a significant determinant in the decision-making process for purchasing a home (Rong et al., 2020). A well-designed house not only satisfies visual and functional needs but also creates a sense of comfort, efficiency, and long-term livability. Studies such as those by BuHamdan et al. (2022) show that design quality significantly affects buyer interest and final purchasing decisions. Additionally, building design contributes to perceived value, which directly impacts the buyer's intention and confidence to proceed with the transaction.

2.3 Effect Price in Purchase Decision

Price is one of the most influential factors in shaping consumer purchase decisions, particularly in the housing sector, where financial considerations play a central role (Migkos et al., 2025). It represents not only the monetary cost of a property but also reflects the perceived value, quality, and affordability from the buyer's perspective. In a competitive property market, price is often a primary differentiator among similar housing options (Dong et al., 2024). For potential homeowners, a reasonable and transparent pricing strategy can significantly impact their level of interest and willingness to make a purchase. According to Kotler et al. (2019), price is the only element in the marketing mix that generates revenue, while the others incur costs, emphasizing its critical importance in both marketing and consumer behavior. Moreover, perceived fairness of price influences buyer trust and purchase intention, especially in middle-income segments that are highly sensitive to pricing.

2.4 Effect Promotion in Purchase Decision

Promotion is a key component of the marketing mix that plays a crucial role in informing, persuading, and reminding potential buyers about housing products (Huang, 2023; West et al., 2024). In the real estate industry, effective promotion helps bridge the gap between a developer and potential homeowners by highlighting the unique selling points of the property, such as location, design, pricing, and financing schemes (Islam et al., 2022; Naeem & Rana, 2025). In today's digital era, promotional strategies have increasingly shifted toward social media marketing, influencer endorsements, digital ads, and virtual tours, which offer more interactive and targeted engagement with prospective buyers (Said et al., 2024). These methods allow housing developers to reach a broader audience quickly and cost-effectively. According to Kotler et al. (2019), promotion is essential not only to build awareness but also to shape consumer perceptions and influence their decision-making processes.

3. Methodology

This study employed causal research as its research design. In addition to determining the direction of the relationship between independent and dependent variables, causal research seeks to quantify the intensity of the association between two or more variables. The overall goal of this study is to investigate, demonstrate, and evaluate the potential effects of pricing, location, building quality, and promotion on

purchase intention. The 200 units purchased in Pasuruan Grand City comprised the study population. This study used the Slovin algorithm to calculate the sample size from a certain demographic, and it received 60 responses in total.

4. Results and Discussion

4.1 Results

4.1.1 Validity

The results of the construct validity test for all research indicators are presented in Table 1 below:

Table 1. Construct Validity

Question	r count	r table	Conclusion
X1.1	0.778	0.254	Valid
X1.2	0.548	0.254	Valid
X1.3	0.735	0.254	Valid
X1.4	0.719	0.254	Valid
X1.5	0.781	0.254	Valid
X2.1	0.770	0.254	Valid
X2.2	0.843	0.254	Valid
X2.3	0.690	0.254	Valid
X2.4	0.850	0.254	Valid
X2.5	0.550	0.254	Valid
X3.1	0.826	0.254	Valid
X3.2	0.568	0.254	Valid
X3.3	0.707	0.254	Valid
X3.4	0.713	0.254	Valid
X3.5	0.768	0.254	Valid
X3.6	0.809	0.254	Valid
X4.1	0.748	0.254	Valid
X4.2	0.699	0.254	Valid
X4.3	0.798	0.254	Valid
X4.4	0.764	0.254	Valid
X4.5	0.699	0.254	Valid
X4.6	0.775	0.254	Valid
Y1.1	0.771	0.254	Valid
Y1.2	0.614	0.254	Valid
Y1.3	0.674	0.254	Valid
Y1.4	0.810	0.254	Valid
Y1.5	0.617	0.254	Valid
Y1.6	0.645	0.254	Valid
Z1.1	0.644	0.254	Valid
Z1.2	0.740	0.254	Valid
Z1.3	0.622	0.254	Valid
Z1.4	0.699	0.254	Valid
Z1.5	0.660	0.254	Valid
Z1.6	0.559	0.254	Valid

Based on the validity test results presented in Table 1, all questionnaire items meet the required criteria, where each r-count value is greater than the r-table value (0.254). Therefore, all indicators used in this study are declared valid and suitable for further analysis

4.1.2 Reliability

The results of the construct reliability test are presented in Table 2 below:

Table 2. Construct Reliability

Variable	Cronbach Alpha	Standard Reliable	Conclusion
Location	0.749	0.60	Reliable
Building Design	0.795	0.60	Reliable
Price	0.823	0.60	Reliable
Promotion	0.841	0.60	Reliable
Purchase Decision	0.776	0.60	Reliable
Purchase Interest	0.735	0.60	Reliable

Based on Table 2, all variables have Cronbach's Alpha values greater than 0.60, indicating that all instruments used in this study are reliable.

4.1.3 Multiple Linear Regression Analysis

Table 3. Regression Coefficients for Purchase Decisio (t table

Model	B	Std. Error	Beta	t	Sig.
(Constant)	0.837	1.655	-	0.505	0.615
Location	0.542	0.207	0.448	2.622	0.011
Building Design	0.290	0.120	0.253	2.422	0.019
Price	0.321	0.137	0.271	2.341	0.023
Social Media Promotion	-0.002	0.190	-0.002	-0.008	0.994

a. Dependent Variable: Keputusan Pembelian (Purchase Decision)

Based on Table 3, the independent variables Location (X1), Building Design (X2), and Price (X3) have significance values smaller than α (5% = 0.05), while the Social Media Promotion variable (X4) has a significance value greater than α (5% = 0.05). Therefore, it can beconcluded that the variables Location (X1), Building Design (X2), and Price (X3) have a significant effect on Purchase Decison (Y), whereas the Promotion variable (X4) does not have a significant effect on Purchase Decison (Y).

Table 4. Regression Coefficients for Purchase Decision (f table)

Model	B	Std. Error	Beta	t	Sig.
(Constant)	0.837	0.674	-	1.242	0.219
Location	0.607	0.086	0.545	7.025	<0.001
Building Design	0.174	0.060	0.166	2.906	0.005
Price	0.192	0.068	0.176	2.810	0.007
Social Media Promotion	-0.071	0.080	-0.079	-0.888	0.379
Purchase Intention	0.266	0.081	0.251	3.296	0.002

a. Dependent Variable:Purchase Decision

Based on Table 4, the independent variables Location (X1), Building Design (X2), Price (X3), and Purchase Intention (Z) have significance values smaller than α (5% = 0.05), while the Promotion variable

(X4) has a significance value greater than α (5% = 0.05). Therefore, it can be concluded that the variables Location (X1), Building Design (X2), Price (X3), and Purchase Intention (Z) have a significant effect on Purchase Decision (Y), whereas the Social Media Promotion variable (X4) does not have a significant effect on Purchase Intention (Z).

Table 5. Sobel Test Results for Mediation

Variable	Sobel Z	Mediation Ability
Location (X1)	2.076	Able to mediate
Building Design (X2)	1.939	Not able to mediate
Price (X3)	1.962	Able to mediate
Promotion (X4)	-0.101	Not able to mediate

Based on the Sobel test results in Table 5, Location (X1) and Price (X3) are able to mediate the relationship between purchase intention and purchase decision, whereas Building Design (X2) and Promotion (X4) are not.

4.2 Discussion

a. Effect of Location on Purchase Decision

Based on the path analysis using SPSS 25, the location variable obtained a significance value of 0.011. Because the significance value is smaller than α (5% = 0.05), it can be concluded that H1 is accepted.

b. Effect of Building Design on Purchase Decision

Based on the path analysis using SPSS 25, the Building Design variable obtained a significance value of 0.019. Because the significance value is smaller than α (5% = 0.05), it can be concluded that H2 is accepted.

c. Effect of Price on Purchase Decision

Based on the path analysis using SPSS 25, the price variable obtained a significance value of 0.023. Because the significance value is smaller than α (5% = 0.05), it can be concluded that H3 is accepted.

d. Effect of Social Media Promotion on Purchase Decision

Based on the path analysis using SPSS 25, the Social Media Promotion variable obtained a significance value of 0.994. Since the significance value is greater than α (5% = 0.05), it can be concluded that H4 is rejected.

e. Effect of Purchase Intention on Purchase Decision

Based on path analysis using SPSS 25, the Purchase Intention variable obtained a significance value of 0.002. Since the significance value is smaller than α (5% = 0.05), it can be concluded that H5 is accepted.

f. Effect of Location on Purchase Decision with Purchase Intention as an Intervening Variable

Since the Z value is greater than 1.96 at a 5% significance level, it proves that location mediates the relationship between purchase intention and purchase decision. Therefore, H6 is accepted in this study.

g. Effect of Building Design on Purchase Decision with Purchase Intention as an Intervening Variable

Since the Z value is less than 1.96 at a 5% significance level, it proves that building design is not able to mediate the relationship between purchase intention and purchase decision. Therefore, H7

is rejected.

h. Effect of Price on Purchase Decision with Purchase Intention as an Intervening Variable

Since the Z value is greater than 1.96 at a 5% significance level, it proves that price can mediate the relationship between purchase intention and purchase decision. Therefore, H8 is accepted.

5. Conclusions

The results of this study indicate that location, building design, price, and promotion through social media have a significant influence on purchase intention, which then acts as a mediating variable in influencing housing purchase decisions. Location and building design factors are proven to be the main determinants that increase the perception of convenience and comfort of prospective buyers, while competitive prices encourage perceptions of affordability. From the perspective of the Theory of Planned Behavior, these findings indicate that positive attitudes towards the product and perceived behavioral control influenced by price and location factors simultaneously increase interest, which ultimately influences purchase decisions. This study emphasizes the importance of an integrated marketing strategy that combines the physical aspects of the property with a digital approach to maximize the conversion of interest into purchase decisions.

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Author Contributions

MK contributed to conceptualization, methodology, and writing of the original draft; BRP was responsible for data collection, formal analysis, literature review, and final manuscript review. All authors have read and approved the final version of the manuscript.

Conflicts of Interest

The authors declare that there is no conflict of interest regarding the publication of this study. This research was conducted independently, and no financial or personal relationships influenced the results or interpretation of the findings.

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