

## Study of Service Quality Effect on Purchase Decision of Tamansari Cendekia Apartment Semarang

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### Abstract

*The increasing population growth in the city of Semarang makes the need for housing higher, while the lack of available land in urban areas makes developers create apartments as a solution for someone who wants a place to live closer to the city center. This has resulted in increasing competition between apartment developments, one of which is the Tamansari Cendekia Apartment Semarang. The number of apartments in the city of Semarang has made the sales of the Tamansari Cendekia Apartment units decline. The purpose of this study was to determine the effect of service quality on brand image, price, and purchase decisions. The population used is the consumer who bought the Tamansari Cendekia Apartment with a sample of 115 respondents, and the sampling technique used was purposive sampling. The method of data collection was done through a questionnaire. This research uses Structural Equation Modeling (SEM) analysis technique. The results of the analysis show that service quality has a positive and significant effect on brand image, price, and purchase decisions, and brand image and price have a positive and significant effect on purchase decisions.*

### Keywords

service quality; brand image; price; purchase decision



## I. Introduction

The growth in the population density of Semarang City shows that Tembalang Subdistrict is the area that has the highest population growth compared to other sub-districts of about 11% from 2012 to 2016. One of the factors that cause the growth of population density in the Tembalang area is the existence of Universities and High Schools. From data from the Central Statistics Agency (BPS) of Semarang City in 2017, the number of students in Tembalang District was 44,458 people, and in 2018 Diponegoro University opened registration for new students around 13,230 people ([www.undip.ac.id](http://www.undip.ac.id)), meaning that there will be 13,230 people who need temporary housing while studying at Diponegoro University. This is certainly a business opportunity to provide temporary housing for students.

This is read by several property developers / developers as an opportunity to be able to provide temporary residences for students with executive facilities by building student apartments, including Cordova Edupark Partment which provides 655 apartment units, The Alton Apartment Semarang with 1982 Apartment Units, and Tamansari Cendekia Apartment with 1707 apartment units. The comparison of sales of the three apartments can be seen in the following table:

**Table 1.** Tembalang Apartment Unit Sale Area

Apartment	Year		
	2016	2017	2018
Cordova	108	64	90
Alton	413	109	72
Educated	107	51	55

Source: Various research sources, 2022.

The table above shows that from the sale of Tamansari Cendekia apartments has the least number of sales compared to the other two apartments during the three years. This shows that Tamansari apartment is not the main choice for consumers. Tamansari Cendekia Apartment is a resident product of PT. WIKA Realty, which is part of a subsidiary of PT. Wijaya Karya, Tbk (WIKI) is known as one of the companies known for having optimal *service quality*, and has a brand image of PT. WIKI is good and provides housing at an affordable price, but has not been able to increase *the purchase decision* made by consumers because the number of apartment sales is still less than other apartments in Tembalang District.

Based on the *research gap*, there is an opportunity to conduct further research. Julius Chia et al (2016) found that the brand of the developer has a significant effect on the consumer's buying interest in housing, while *the price* (price) has a very significant effect on purchase intentions, while research from Yap, J.B. H. et al (2019) explains that brand developers have a significant effect on property purchases. Brand image is defined as part of a tool of trust, ideas and perceived experiences about a product or brand (brand) according to Kotler (2009).

Research from Rahadi, R. A. et al (2015) states that *service quality* in the form of physical condition of the building, building concept and location affects the harag of the apartment, this is also researched by Andi Nidaul (2017) who stated that the landscape view which is service quality affects the price of the apartment. Golan Hasan (2017) researched that service quality affects buying behavior, where purchasing decisions are included in the buying behavior. Hassanudin et al (2016) research explains that the most important attribute in sales is price, so price becomes the main thing for consumers in determining a purchase. Hamad Saleem et al (2018) stated in his research that service quality has a significant effect on the brand image of a product / company.

Marketing is a process of planning and execution, starting from the conception stage, pricing, promotion, to the distribution of goods, ideas and services, to make exchanges that satisfy the individual and his institutions (Dianto in Asmuni *et al*, 2020). According to Tjiptono in Marlizar (2020) marketing performance is a function that has the greatest contact with the external environment, even though the company only has limited control over the company's environment. In the world of marketing, consumers are assets that must be maintained and maintained their existence in order to remain consistent with the products we produce (Romdonny and Rosmadi, 2019).

In addition to studying from the existing *research gap*, there were also interviews with two Supervisors marketing Tamansari Cendekia Apartment who each oversee 7 sales marketing people. The interview was conducted to find out the phenomenon in Tamansari Cendekia Apartment related to the decision to buy an apartment, from the interview obtained most consumers want a good apartment price with a light payment pattern, some consumers intend to make the apartment as an investment by renting out the apartment so that consumers are looking for apartments with attractive facilities, and Semarang consumers want to find developers who can keep the promise of development because

previously many of the apartment developers in Semarang canceled the construction. In this case, it directs researchers to research more deeply about purchase decisions associated with *service quality*, which is mediated by *brand image* and *price*.

## II. Review of Literature

### 2.1 Consumer Behavior

Schiffman and Kanuk (2008) suggest that *consumer behavior* is a science that studies how a person makes decisions to spend and set aside everything that is in the individual (time, money, effort and energy) to buy goods related to consumption. The definition of *consumer behavior* according to the American Marketing Association in Peter and Olson (1996) is a dynamic relationship between influences and ways of thinking, behavior, and things that happen around us, where individuals make an exchange in their lives.

### 2.2 Service Quality

Services are all things performed or performance that can be given from one party to another party that is intangible and does not provide any ownership results (Kotler and Keller, 2009). Services are anything that can be seen and felt separately in abstract form, given to fulfill desires according to Stanton in Alma (2013).

### 2.3 Brand Image

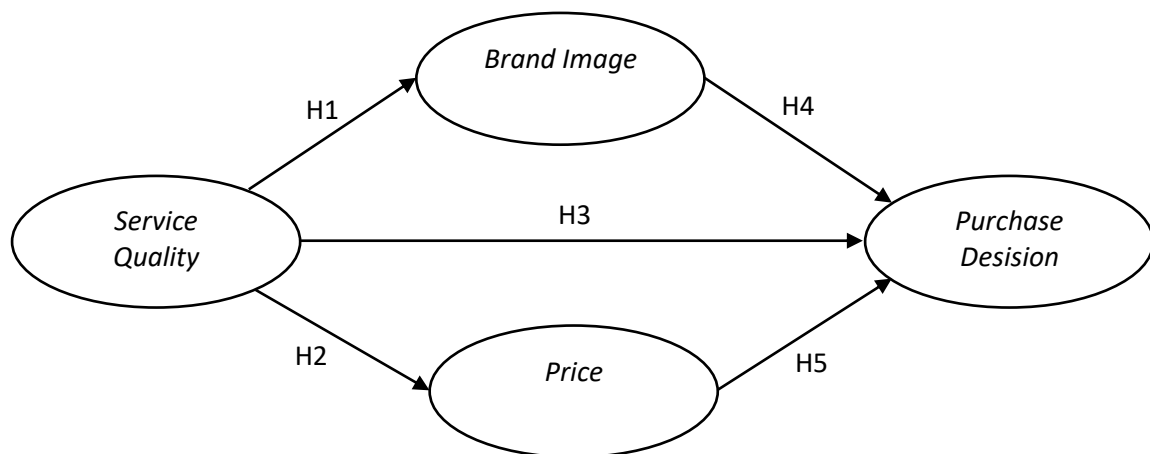
Brand image is a perception of a brand that reflects the memory of a buyer associated with a particular brand Kotler and Keller in Chang (2009) A brand will produce a relevant attitude that can shift to a product. This will benefit a brand that will increase a positive attitude towards the brand of a product as well as its attributes and brand image will create a positive effect on purchasing decisions according to Del Rio et al., (2001).

### 2.4 Price

Price is the value of the amount redeemed by consumers to get a benefit in using Kotler goods and services in Anggita (2018). Price connects the intended value placement of the company's product or brand to the market. A product that is designed and marketed properly and correctly can be sold at a high price and make a large profit (Alma, 2013).

### 2.5 Purchase Decisions

Kotler & Keller in Rachmawati et al (2019) explains that purchase decisions are the way of a person, group or organization to choose, buy, use and utilize services, ideas and experiences to meet needs and desires. Meanwhile, according to Berkowitz in Rachmawati (2019) mentioned that the purchase decision is a stage passed by buyers in determining the choice of products and services to be purchased. Purchasing decisions as a choice between two more alternative options, in other words the availability of one option is a must in decision making. A purchasing decision is an act or behavior whether making a purchase or a transaction.



**Figure 1.** Empirical Model Development

### III. Research Method

The population according to Sekaran (2006) is a group of individuals who are used to qualify related to research, namely consumers of Tamansari Cendekia Apartment. Sekaran (2006) revealed that the use of samples is believed to provide convenience for research because it is considered to save costs, shorten the research period and make research more focused. The sample used here is a consumer of Tamansari Cendekia Apartment who has purchased the apartment unit. Sample guidelines can be determined over indicators on all variables 5-10. The minimum sample number is 100, while the sample specified in this study is 115 respondents with a calculation of the number of respondents at least on the number that has been calculated previously. Sampling techniques use *accidental sampling*.

This study used a quantitative analysis technique, using primary data collected through questionnaires that will be given to consumers of Tamansari Cendekia Semarang Apartment. The results of filling in the form of numbers have the advantage of accurate, effective, and communicative values. The scale used in the questionnaire refers to the Likert scale with a scale of 1-7.

Data analysis techniques in this research use *Structural Equation Modeling* (SEM) which is run through the AMOS (Moment Structure Analysis) program. Hypothesis testing is intended to test a hypothesis that has been outlined earlier. In line with the hypothesis proposed earlier, the hypothesis testing in this study is to use *the Structural Equation Model* (SEM).

### IV. Results and Discussion

#### 4.1 Description of Respondents

The 115 respondents, namely consumers who have purchased Tamansari Cendekia Semarang Apartment, most of them are men with a total of 98 people (85.2%), while the remaining 17 people (14.8%) are women. The majority of respondents were between the ages of 41 and 50 with 56 people (48.7%), while the fewest were between the ages of 21 and 30 with a total of 10 people (8.7%). The most education is D3 / S1 with a total of 74 people (64.3%), while the least high school or equivalent with a total of 17 people (14.8%). Consumers mostly work as private employees with a total of 47 people (40.9%), while the least is as a student / student with a total of 2 people (1.7%). The majority have a certificate between Rp. 10 million to 15 million with a total of 52 people (45.2%).

## 4.2 Full Model Structural Equation Model (SEM) Results

The following is a model of the initial structural equation test results using the help of the AMOS computer program.

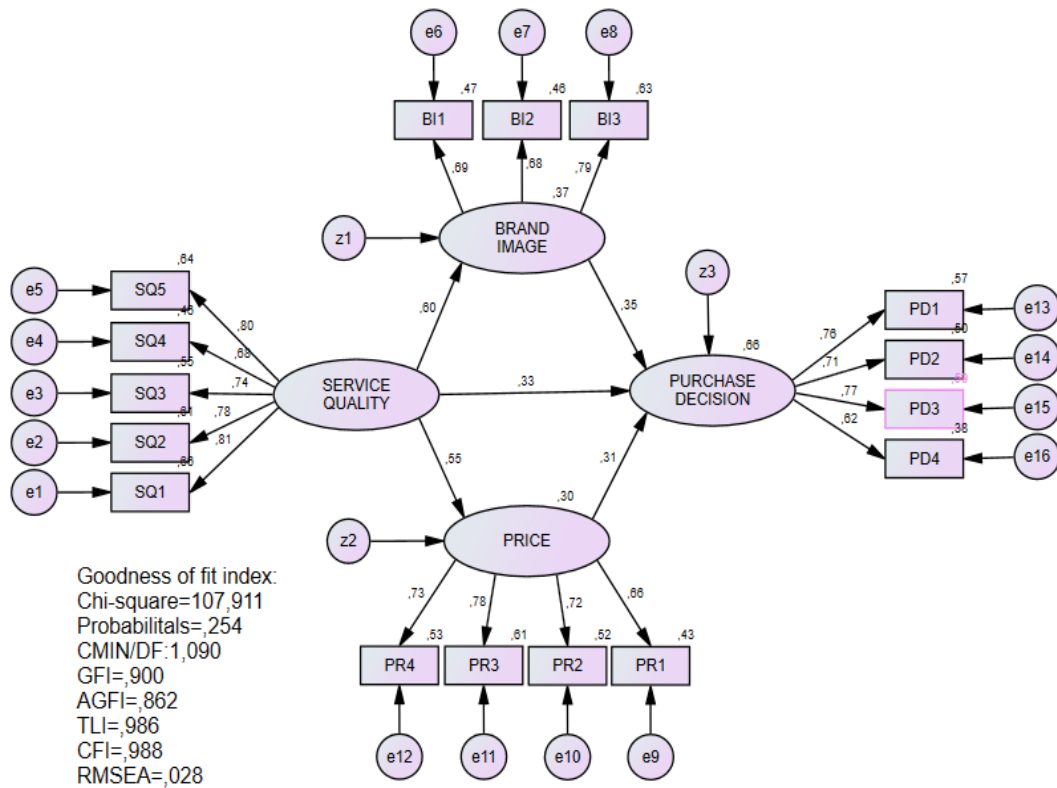


Figure 2. Full AMOS Output Research Model

The goodness of fit appraiser for the full SEM model can be seen in the following table:

Tabel 2. Goodness of fit-test

Goodness of fit indices	Cut off value	Research Results	Conclusion
$X^2$	Smaller than 123,225	107,911	Good fit
Significance Probability (p)	$\geq 0,05$	0,254	Good fit
CMIN/DF	$\leq 2,00$	1,090	Good fit
AGFI	$\geq 0,90$	0,862	Marginal fit
GFI	$\geq 0,90$	0,900	Good fit
TLI	$\geq 0,95$	0,986	Good fit
CFI	$\geq 0,95$	0,988	Good fit
RMSEA	$\leq 0,08$	0,028	Good fit

Source: Data processed, 2022

The table above shows the results of index testing from the full configurator factor analysis of the SEM model, most of the index values obtained have met the *criteria of goodness of fit*, then it can be concluded that the exogenous construct model used in the study is acceptable.

Result goodness of fit obtained the results that there are seven criteria that show *good fit* results, namely X2, *Significance Probability* (p), CMIN / DF, GFI, TLI, CFI, and RMSEA, while there is one criterion that shows marginal fit results, namely AGFI, however, most other indices are in accordance with the provisions of *cut off value*. This means that most index values have met *the criteria for goodness of fit*.

### 4.3 Hypothesis Test Results

Based on the Full SEM model above, it can be known that the relationship between independent variables to dependent variables is described in the following table:

**Table 3.** Partial Hypothesis Test Result Summary

			Standardized	S.E.	C.R.	P
Brand Image	<--	Service Quality	,605	,102	4,921	***
Price	<--	Service Quality	,550	,098	4,580	***
Purchase Decision	<--	Brand Image	,350	,131	2,754	,006
Purchase Decision	<--	Price	,313	,119	2,763	,006
Purchase Decision	<--	Service Quality	,333	,114	2,502	,012

Source: Data processed, 2022.

Hypothesis 1: *Service Quality* has a positive effect on *Brand Image*

The results of the analysis showed that *service quality* variable had a CR value of 4,921 with a P-value of \*\*\* (lower than 0.000). The result means that the CR value (4.921) is greater than t table (1.96) and the p-value (\*\*\*) is smaller than 0.05. The decision taken is to reject the null hypothesis and accept the alternative hypothesis, meaning that *service quality* has a positive and significant influence on the *brand image*. This means that if the quality of the services provided by the company is higher both from physical evidence, reliability, responsiveness, assurance and empathy, it will improve the *brand image* of the management company Tamansari Cendekia Semarang Apartment, it can be concluded that hypothesis one (H1) is accepted.

Hypothesis 2: *Service Quality* has a positive effect on *Price*

The results of the analysis showed that *service quality* variable had a CR value of 4,580 with a P-value of \*\*\* (lower than 0.000). The result means that the CR value (4,580) is greater than t table (1.96) and the p-value (\*\*\*) is smaller than 0.05. The decision taken is to reject the null hypothesis and accept the alternative hypothesis, meaning that *service quality* has a positive and significant influence on *Price*. This means that if the quality of service seen from the dimensions of physical evidence, reliability, responsiveness, assurance and empathy is getting higher from the company, it will increase the *price* of tamansari Cendekia Semarang Apartment products offered by the managing company. It can be concluded that hypothesis two (H2) was accepted.

Hypothesis 3: *Service Quality* has a positive effect on *purchase decisions*

The results of the analysis showed that variabel *Service quality* has a CR value of 2,502 with a P-value of 0.012. The result means that the CR value (2.502) is greater than t table (1.96) and its p-value (0.012) is smaller than 0.05. The decision taken is to reject the null hypothesis and accept the alternative hypothesis, meaning if *service quality* has a positive and significant influence on the *purchase decision*. This means that if the service includes physical evidence, employee reliability, employee responsiveness, assurance and

empathy of company employees who are increasingly high quality, it will increase the *purchase decision* of Tamansari Cendekia Semarang Apartment products offered by the managing company. It can conclude that hypothesis three (H3) was accepted.

Hypothesis 4: *Brand Image* has a positive effect on *purchase decisions*

The results of the analysis showed that the variable *Brand image* has a CR value of 2.754 with a P-value of 0.006. The result means that the CR value (2.754) is greater than t table (1.96) and its p-value (0.006) is smaller than 0.05. The decision taken is to reject the null hypothesis and accept the alternative hypothesis, meaning if *the brand image* has a positive and significant influence on the *purchase decision*. This means that if the attributes of the brand are getting better, the brand is getting more useful, and the personality of the brand is higher, it will increase the *purchase decision* of Tamansari Cendekia Semarang Apartment products offered by the managing company. It can be concluded that hypothesis four (H4) was accepted.

Hypothesis 5: *Price* has a positive effect on *purchase decisions*

The results of the analysis showed that variable *Price* had a CR value of 2.763 with a P-value of 0.006. The result means if the CR value (2.763) is greater than t table (1.96) and its p-value (0.006) is smaller than 0.05. The decision taken is to reject the null hypothesis and accept the alternative hypothesis, meaning if *Price* has a positive and significant influence on the *Purchase decision*. This means that if the price offered is cheaper or more affordable, the more reasonable, and the price is in accordance with the products offered, it will increase the *purchase decision* of Tamansari Cendekia Semarang Apartment products offered by the managing company. Dapat concluded that hypothesis five (H5) was accepted.

#### 4.4 Mediation Test Results

**Table 4.** Test mediation of *service quality* (SQ) influence on *purchase decision* (PD) through *brand image* (BI)

Mediation Test	Value t-Count	Significant Value
Service quality Brand image Purchase decision → →	2,407	0,016

Source: Data processed, 2021

Based on the results of the calculation obtained the value of t calculated in the mediation test is 2.407 with a p-value of 0.016. The value indicates that the calculated jik (2,407) is greater than t table (1.96) and p-value (0.016) lower than 0.05 then Ha is received, meaning *service quality* (SQ) has a significant influence on *purchase decision* (PD) through *brand image* (BI).

**Table 5.** Service *Quality* (SQ) Effect Mediation Test on *Purchase Decision* (PD) through *Price* (PR)

Mediation Test	Value t Count	Significant Value
Service quality Price Purchase decision → →	2,360	0,018

Source: Data processed, 2022.

Based on the results of the calculation obtained the t-count value in the mediation test is 2.360 with a p-value of 0.018. The value indicates that the calculated  $t$  (2,360) is greater than the table  $t$  (1.96) and the p-value (0.018) is lower than 0.05 then  $H_a$  is received, meaning that *Service Quality* (SQ) has a significant influence on purchase decision (PD) through *Price* (PR).

## V. Conclusion

The results showed that *service quality* had a positive and significant effect on brand image. This means that if the quality of the services provided by the company is higher both from physical evidence, reliability, responsiveness, assurance and empathy, it will improve the *brand image* of the management company Tamansari Cendekia Semarang Apartment. This applies otherwise if the company cannot provide quality services, then its *brand image* will decrease. *Service quality* has a positive and significant effect on the price. This means that if the quality of service seen from the dimensions of physical evidence, reliability, responsiveness, assurance and empathy is getting higher from the company, it will increase the price of Tamansari Cendekia Semarang Apartment products offered by the managing company. This also applies vice versa by decreasing the level of quality of service provided by the company will lower the price. *Service quality* has a positive and significant effect on purchase decisions. This means that if the service includes physical evidence, employee reliability, employee responsiveness, assurance and empathy of company employees who are increasingly high quality, it will increase the purchase decision of Tamansari Cendekia Semarang Apartment products offered by the managing company. This also applies vice versa if the company cannot provide quality services, it can reduce consumer purchasing decisions. *Brand image* has a positive and significant effect on purchase decisions. This means that if the attributes of the brand are getting better, the brand is getting more useful, and the personality of the brand is higher, it will increase the purchase decision of Tamansari Cendekia Semarang Apartment products offered by the managing company. This is the opposite if the *brand image* owned by the company decreases, it will be able to reduce purchasing decisions. *Price* has a positive and significant effect on purchase decisions. This means that if the price offered is cheaper or more affordable, the more reasonable, and the price is in accordance with the products offered, it will increase the purchase decision of Tamansari Cendekia Semarang Apartment products offered by the managing company. This applies vice versa if the price offered is increasingly inappropriate according to consumers, it will reduce the level of purchasing decisions.

The results of the mediation test obtained that *service quality* has a significant effect on purchase decisions through *brand image*. *Service quality* has a significant effect on purchase decisions through price.

For the next researcher is expected to use qualitative descriptive data analysis techniques, so that it will be able to dig deeper into the specific variations of the research findings. For further researchers, so can improve marginal AGFI, it is expected to improve the indicators used or even add the indicators used, so that the questions used in the study are more. For further researchers, it is expected to increase the number of free variables that are estimated to have a big influence on purchasing decisions such as promotion, location, product quality, product design, product differentiation and others, the results obtained are better and the results of research are more accurate and can predict purchasing decisions for the long term and the results obtained better.



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