

The Influence of Price and Personal Selling on the Achievement of Housing Product Sales

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Abstract

This study aimed to determine the effect of price and personal selling on the achievement of housing product sales. The method used in this research is quantitative with SEM analysis techniques using the Smart-PLS 3.3 application. The data instrument is the respondent's questionnaire with a sample of 60 people interested in buying Regency Palopo Hill Inc. The result of this research is that price affects sales achievement with a value of t count = 2.678 > t table = 1.670 with a P-Value of 0.008 or less than the Cut off Value of 0.05. While personal selling has no significant effect on the achievement of sales, the value of t count = 0.328 < t Table: 1.670 with a P-Value of 0.743 > 0.05.

Keywords: price; personal selling; buying interest; housing; sales.

1. Introduction

The increase in business in the era of globalization that affects business competition expects organizations to have the choice to act quickly, precisely, and indeed without stopping, even with competition in a strong and dynamic business climate full of vulnerabilities. Therefore, every organization is expected to have the option to compete seriously in creating and retaining loyal buyers (clients), one of which is through cost competition that can attract customers to buy.

In the current status of this rivalry, especially in the buyer's market, price-fixing is fundamental to improve and maintain the progress of the company's position in the open market and build agreements and corporate profits on different terms. Pricing will be essential, especially in increasingly fast competition and limited demand. Pricing will affect the competence and capacity of the company to influence customers (Nasution, 2014).

Various demands of globalization will continue to occur along with the development and progress of the times. Productivity is something that individuals need as an opportunity for an organization to set up a business. Still, the progress of the business world is colored by competition in all fields, one type of this competition is a price. Considering this competitive situation requires updating and proper methodology in gathering agreement targets. One of the signs of a large-scale economic revival in a country is the expansion of the property sector, which is an essential need of the Indonesian people.

The rapid development of the property business indicates that future monetary conditions will improve. Based on population evaluation information in 2017, it is estimated that in 2019 the growth of the property business will increase by 1.1% from the previous year. It shows that along with the increase in population, the need for land requires an extensive area. The development of the property area is influenced by the increasing number of middle-class communities, which in turn causes the expansion of the search for housing which has an impact on the development of the property business. Information to the Head General of Lodging Financing, the Public Works and Public Lodging Service, until 2025, the need for lodging in Indonesia is 30 million units, so every year it reaches 1.2 million units of new lodging needs. Data to the Director-General of housing finance, the Ministry of Public Works and Public Housing, until 2025, the housing need in Indonesia is 30 million units, so every year, the achievement is 1.2 million units per year, the level of new housing needs (Julianto, 2016).

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The less land supply for residential houses will affect the price, creating competition between developers. In the property business, developers compete to offer various interesting innovations with extraordinary tricks. According to an engineer, if the buyer needs a strategic land position and the maximum cost is 88 million, they will only get a standard quality structure without additional elements because the developer is having problems making a quality structure, assuming the price of the sponsored house is low.

The way customers approach prices related to prices can have financial and mental effects because buyer recognition of goods can be affected by value which is a controllable variable. Research shows that price involves buying interest, where high buying interest can be framed by the price presented by the provider or supplier of the product (Satria, 2017).

Selling personnel forms relationships between people. Meet each other determined to create, enhance, control, or enter into generally beneficial trade associations with the other. Research results (Yanto & Prabowo, 2020) show that Personal Selling fundamentally affects the achievement of a satisfactory Subsidy contract agreement at Bank BTN Syariah.

Price Strategy is one of the elements that help increase sales achievement, and personal selling or sales representatives become one of the variables that play an essential role in expanding sales because they discuss directly with prospective buyers; that's when an agreement occurs between traders and buyers. Based on research (Bakti & Setiawan, 2021), the consequences of the regression test between personal selling and purchasing decisions, the beta coefficient is 0.206 with a sig value of 0.008 with a T count of 2.730 and a T table of 1.662. It implies that personal selling essentially influences purchase choices.

2. Methods

The research method used is quantitative, which aims to explain the relationship between variables. Primary data sources are obtained through answers from research instruments such as polls completed by consumers and secondary data obtained from buyer information in the last three years. The research population is all consumers of Bukit Regency Palopo inc. for the 2019-2022 period who are interested in buying, as many as 60 consumers. The sampling technique is a probability sample through a random sampling approach. In data collection, the entire population has the opportunity to be a sample regardless of the background of members of the population.

The information collection strategy is through questionnaires; at this level, the survey is distributed by submitting several written statements and completed by 60 respondents according to the answers in the options section. This study involves a measurement instrument, namely the Likert scale with price, location, and buying interest factors. The closed polling model was used because the responses are already available. The data analysis technique is in the form of SEM analysis with the help of the Smart-PLS3.3 application.

3. Result and Discussions

3.1. Descriptive Analysis

Provide an overview or description of data seen from the average value (mean), standard deviation, largest and smallest. Descriptive analysis is expected to be able to provide the layout of the distribution and behavior of the sample data (Ghozali, 2016).

Table 1. Distribution of respondents based on Price Effect (X1)

Category (Scale 1-5)	Frequency	Percentage
Low (< 3.33)	17	28.3
Medium (3.33 – 6.66)	1	1.7
High (> 6.66)	42	70.0
Total	60	100.0
Average	2.42	

Based on table 1, the majority of the price influence is in the high category, which is 70.0 percent, and 28.3 percent is

classified as low. Overall the average price effect is 2.42 on a scale of 1 to 5.

Table 2. Distribution of respondents based on Personal Selling (X2)

Category (Scale 1-5)	Frequency	Percentage
Low (<3.33)	28	46.7
Medium (3.33 – 6.66)	1	1.7
High (> 6.66)	31	51.7
Total	60	100.0
Average		2.05

Table 2 shows that most personal selling is in the high category, namely 51.7 percent, the medium category is 1.7 percent, and 46.7 percent is low. Overall, the average voter behavior was 2.05 on a scale of 1 to 5.

Table 3. Distribution of respondents based on Sales Achievement (Y)

Category (Scale 1-5)	Frequency	Percentage
Low (<3.33)	24	40.0
Medium (3.33 – 6.66)	2	3.3
High (> 6.66)	34	56.7
Total	60	100.0
Average		2.16

Table 3 shows that the majority of sales achievements are in the high category, which is 56.7 percent, the medium category is 3.3 percent, and 40.0 percent is classified as low. Overall, the average voter behavior was 2.16 on a scale of 1 to 5.

3.2. Inferential Analysis

The inferential analysis in this study is the Structural Equation Modeling (SEM) analysis with the help of the Smart PLS 3.3 application.

3.2.1. Result of Outer Model Test

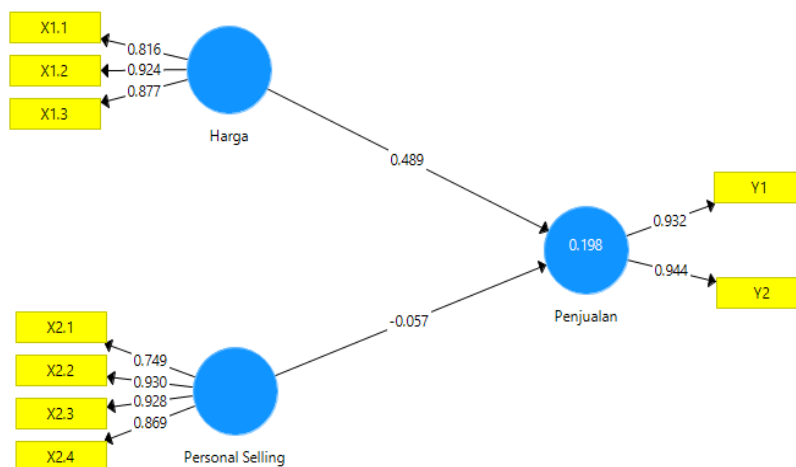


Figure 1. Outer Model SEM (Output Smart-PLS) (in Indonesia)

a) *Convergent Validity (Loading Factor)*

The convergent validity test aims to determine the value of the loading factor on the latent variable with its indicators.

Table 4. Outer Loading (Convergent Validity)

Indicator	Price (X1)	Personal Selling (X2)	Selling (Y)
X1.1	0.816		
X1.2	0.924		
X1.3	0.877		
X2.1		0.749	
X2.2		0.930	
X2.3		0.928	
X2.4		0.869	
Y1			0.932
Y2			0.944

Source: SEM analysis results

Table 4 is the result of the outer model analysis. The outer loading value for each variable indicator has met the validity value of > 0.7.

b) *Discriminant Validity*

Table 5. Discriminant Validity

Variable	Average Variance Extracted (AVE)
Price (X1)	0.764
Personal Selling (X2)	0.880
Selling Achievement (Y)	0.760

The value of Table 5 shows the AVE value of each variable in this study, which is > 0.5, so that it can be concluded that all variables in the SEM model analyzed are declared valid.

c) *Model Reliability*

Table 6. Composite Reliability and Cronbach Alpha values for each variable

Variable	Cronbach's Alpha	Composite Reliability
Price (X1)	0.845	0.906
Personal Selling (X2)	0.864	0.936
Selling Achievement (Y)	0.901	0.927

The standard value of Cronbach's Alpha if a variable is declared reliable is >0.6 , while the standard value for Composite Reliability is >0.7 . Based on the value of table 6 above, it is known that all variables have a Cronbach's Alpha value > 0.06 and a Composite Reliability value > 0.7 , so it can be stated that the SEM model analyzed is reliable

3.2.2. Result of Inner Model Test

a) Inner Model

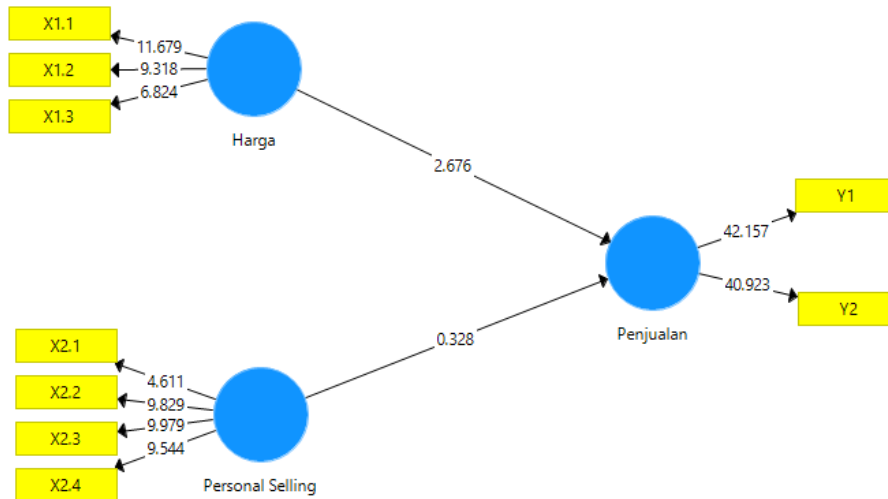


Figure 2. Outer Model SEM (Output Smart-PLS) (in Indonesia)

b) T Statistical Analysis

Table 7. T Statistical Analysis

Variable	T Statistic	T tabel	P Values	Cut off P Value
Price → Selling Achievement	2.678	1.670	0.008	0.05
Personal Selling → Selling Achievement	0.328	1.670	0.743	0.05

T statistic analysis aims to determine the magnitude of the influence between variables. The calculated T value is greater than the T value. The table shows a significant variable effect.

Based on the results of the T-Statistics analysis, as shown in the table 7, the hypothesis testing on endogenous variables can be stated as follows:

Hypothesis 1: It is suspected that (X1) significantly affects (Y). The results of the T-statistical analysis showed the t-count = 2.678 $>$ t-table = 1.670, and the P-value was 0.008 or smaller than the Cut-off Value of 0.05. It means that the variable (X1) significantly affects (Y). So it can be stated that hypothesis 1 is accepted

Hypothesis 2: Allegedly, (X2) has no significant effect on (Y). The results of the statistical T analysis obtained the value of t count = 0.328 $<$ t Table: 1.670 with a P-value of 0.743 $>$ 0.05. It means that the variable (X2) has no significant effect on (Y). So it can be stated that hypothesis 2 is rejected

3.2.3. Analysis of Determinant (R Square)

The results of the analysis of the determinants of the independent variables. Based on the table 8, it can be seen that Price (X1), Personal selling (X2) affect (Y) by 19.8 percent, while 80.2 percent is influenced by other variables not

observed in this study.

Table 8. The results of the analysis of the determinants of the independent variables

Variable	R Square	R Square Adjusted
Selling Achievement (Y)	0.198	0.170

3.3. Discussion

3.3.1. Effect of Price on Sales Achievement

The results of the respondent's response test show that the average respondent gives a high response to the price, which has a significant effect on sales achievement with a significance value of 0.008, which is smaller than the value of $\alpha = 0.05$. It means that the price affects the achievement of sales of housing products Regency Palopo Hill Inc.

The results of this study follow the opinion (Fauzan & Putra, 2021) that the price variable explains the purchasing power dimension, which is one of the considerations for consumers to make choices. The following opinion (Sari et al., 2021) is that generally, the optimal price setting is the price that people are willing to pay consumers, and companies must monitor the effect of costs to ensure prices remain competitive and companies can still meet consumer expectations. Opinion (Sudarsono, 2020) Pricing is closely related to all parts of the company's activities that affect sales achievement or the number of buyers. However, companies must still pay attention and consider other factors that influence them.

3.3.2. Influence of Personal Selling on Sales Achievement

The analysis of respondents' responses shows that the average respondent gives a high response to personal selling, which has no significant effect on sales achievement with a significance value of 0.743, more significant than the value of $\alpha = 0.05$. It means that personal selling affects the achievement of housing product sales at Palopo Regency Regency Hill Inc.

Opinion (Biełkowska et al., 2020) introduces Personal Selling as a fundamental approach that salespeople usually carry out during the implementation of exchanges in business transactions. Research shows that the success rate of personal selling initially depends on the seller's ability to sell individual sellers. So it can be concluded that the ability of the salespeople at Bukit Regency Palopo Inc. must be improved again by providing training to influence sales achievement. Furthermore, the opinion (Anderson et al., 2008) on Personal selling Strategy to achieve long-term customer loyalty underscores how attracting, growing, and retaining satisfied customers leads to higher profitability for salespeople and their organizations. Furthermore argues that Personal Selling is not only about selling skills but also includes sales characteristics to increase sales achievement.

4. Conclusions

The results of the statistical T analysis obtained the value of $t_{count} = 2.678 > t_{table} = 1.670$ with a P-Value of 0.008 or less than the Cut off Value of 0.05. These results mean that the variable (X1) significantly affects (Y), the price affects the achievement of sales of housing products Regency Palopo Hill Inc.

The results of the statistical T analysis showed the value of $t_{count} = 0.328 < t_{Table} = 1.670$ with a P-value of 0.743 > 0.05 . It means that the variable (X2) has no significant effect on (Y). It means that personal selling affects the achievement of housing product sales at Palopo Regency Regency Hill Inc.

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