

# Factors Influencing Purchase Intention for PIK House Properties in Jakarta

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**Abstract:** This study investigates the influence of relationship marketing, trust, and corporate image on purchase intention for PIK housing properties in Jakarta during a period of economic challenges marked by inflation and declining property sales. The research employed a quantitative approach with data collected through online questionnaires from 173 respondents in June 2024, using non-probability sampling and judgemental sampling techniques. The analysis was conducted using PLS-SEM with Smart-PLS 4.0 software. The findings revealed that relationship marketing (path coefficient = 0.470, p-value = 0.000) and corporate image (path coefficient = 0.369, p-value = 0.000) had a significant positive influence on purchase intention. However, trust showed no significant impact on purchase intention (path coefficient = 0.019, p-value = 0.811), potentially because respondents were predominantly students (90.2%). The model demonstrated strong explanatory power with an R-square value of 0.647, indicating that 64.7% of purchase intention variance is explained by the variables studied. These findings provide valuable insights for property developers when developing marketing strategies, particularly emphasizing the importance of relationship marketing and corporate image in driving purchase intention for high-value properties.

**Keywords:** relationship marketing, trust, corporate image, purchase intention, property market

## Introduction

In recent years, inflation has caused many factors to impact the decline of the global economy ([Amarullah & Amaliah, 2022](#); [Avianty & Lestari, 2023](#)). An example of a factor causing inflation is an increase in interest rates and a decrease in people's purchasing power, leading to supply accumulation. A decline in people's purchasing power is one of the factors that decreases property sales. PT Indonesia Paradise Property Tbk (INPP) recorded a 32% decrease in property sales from Rp 52.5 trillion to Rp 30.23 trillion at the end of March 2024 (Q1) ([Idnfinancials, 2024](#)). Residential properties are a type of investment that is considered stable and sought after by both investors and the general public because residential properties are long-term investments and multi-purpose assets ([Daulay & Sinto, 2023](#)). However, in recent years, residential properties in Pantai Indah Kapuk (PIK) have been facing a decline in sales owing to price competition and reduced purchasing power among the public. Therefore, efforts to increase sales revenue are necessary by improving the company to be even better ([Karman & Amri, 2022](#)). Then, the efforts made to increase the sales of residential properties, there are several factors that can influence customer purchase interest in line with the objectives of this research, namely, relationship marketing, trust, and corporate image on purchase intention for residential properties in Pantai Indah Kapuk (PIK) in Jakarta.

## Literature Review

### Relationship Marketing

Authors in ([Frow & Payne, 2017](#)) defined relationship marketing as a strategic management approach to connect all relevant stakeholders, including customers, suppliers, influencers, referral sources, and internal markets.

### Trust

One of the hardest things to build, which depends on customers or others and cannot be controlled, is trust ([Chen & Barnes, 2007](#)).

### Corporate Image

According to authors in ([Lee & Lee, 2018](#)), a corporate image is a company's overall impression of customers, whether it is a product or the brand.

### Purchase Intention

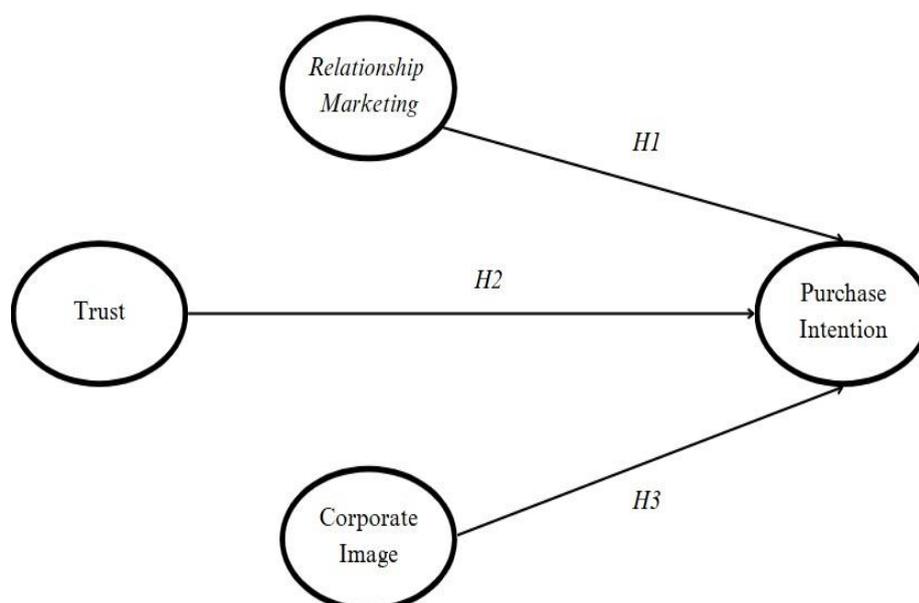
Auhtors in ([Kumala, 2012](#)) argue that purchase intention is related to the consumer's plan to buy a certain product/service, and how many units of the product/service are needed within a certain period. Purchase intention relates to the consumer's plan to buy a certain product and

how many units of the product are needed within a specific period ([Darmadi Duriyanto, 2004](#)). According to authors in ([Fitri & Wulandari, 2020](#)), "purchase intention is something that arises after receiving a stimulus from the product he sees, after which arises an interest in buying in order to have it." Which means in Indonesian "Purchase intention is a feeling of interest that arises after seeing a certain product, leading to the desire to buy it."

## Hypothesis

Authors in ([Lin & Lu, 2010](#)) found that relationship marketing has a positive and significant impact on purchase intention in the tourism industry. Auhtors in ([Palmatier, Jarvis, Bechkoff, & Kardes, 2009](#)) found that relationship marketing has a positive and significant impact on purchase intention in the relationship between sales managers and customers. Auhtors in ([Nguyen & Leblanc, 2001](#)) found that relationship marketing has a positive and significant effect on purchase intention in customer service.

Auhtors in ([Veronica & Rodhiah, 2021](#)) found that trust has a positive and significant influence on purchase intention in the online shopping process for Shopee. Auhtors in ([Sari & Ruslim, 2024](#)) found that trust has a positive and significant impact on purchase intention when shopping online at a Lazada online store. Auhtors in ([Lin & Lu, 2010](#)) found that trust has a positive and significant influence on purchase intention in the tourism industry. Auhtors in ([Huang, Yen, Liu, & Huang, 2014](#)) found that corporate image has a positive and significant influence on purchase intention regarding the brand and performance of 7-Eleven. Authors in ([Bataineh, 2015](#)) found that corporate image has a positive and significant influence on purchase intention regarding the use of social media on corporate image.



**Figure 1. Research model**

Based on this statement, the hypothesis of this research is as follows:

H1: Relationship marketing has a positive and significant impact on the purchase intention of properties in Pantai Indah Kapuk (PIK) in Jakarta.

H2: Trust has a positive and significant influence on purchasing intention for Pantai Indah Kapuk (PIK) residential properties in Jakarta.

H3: Corporate Image has a positive and significant influence on the purchase intention of properties in Pantai Indah Kapuk (PIK) in Jakarta.

## Research Method

This study used descriptive research with a cross-sectional methodology. The data are presented as numbers or quantitative, and the population criteria are people who have visited the PIK area or have an interest in purchasing PIK residential properties in Jakarta. The sampling technique used in this study was non-probability sampling. The data in this study were obtained through an online questionnaire using social media platforms such as WhatsApp, Line, and Instagram. The data were collected in June 2024 with 173 respondents using a Likert scale, where each variable has 5 points for agreement and disagreement statements with indicators including "Strongly Agree," "Agree," "Neutral," "Disagree," and "Strongly Disagree."

## Results and Discussion

This study used data obtained from the respondents' online surveys. The majority of respondents in this study were male, aged 21-25 years, and resided in West Jakarta.

### Convergent Validity

The convergent validity can be measured based on the Average Variance Extracted (AVE) value and the loading factor. The AVE value was considered valid if it exceeded 0.50. The loading factor is considered valid if its value is greater than 0.70 (Sarstedt, Ringle, & Hair, 2021).

**Table 1. Average Variance Extracted (AVE) results.**

<b>Variable</b>	<b>Average Variance Extracted(AVE)</b>
Corporate Image	0,642
Purchase Intention	0,625
Relationship Marketing	0,628
Trust	0,662

Based on the above table, the AVE values produced by each variable met the criteria by showing values greater than 0.50 and were considered valid.

**Table 2 Results of Factor Loading Analysis.**

	<b>CI</b>	<b>PI</b>	<b>RM</b>	<b>T</b>
CI1	0,793			
CI2	0,814			
CI3	0,830			
CI4	0,779			
CI5	0,788			
PI1		0,749		
PI2		0,796		
PI3		0,795		
PI4		0,789		
PI5		0,823		
RM1			0,730	
RM2			0,838	
RM3			0,864	
RM4			0,772	
RM5			0,749	
T1				0,786
T2				0,813
T3				0,837
T4				0,806
T5				0,826

Based on the table above, the results of the loading factor values measuring each variable above 0.70 are shown; thus, these values meet the criteria and are valid.

### Results of Discriminant Validity Research

Discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT) and the Fornell-Larcker criterion. The HTMT value is considered valid if it is less than 0.85 ( $<0.85$ ) and the threshold value is still acceptable if it is less than 0.90 ( $<0.90$ ) (Sarstedt et al., 2021).

**Table 3 Results of the Heteroit-Monotrait Ratio (HTMT) analysis.**

	<b>CI</b>	<b>PI</b>	<b>RM</b>	<b>T</b>
CI				
PI	0,865			
RM	0,895	0,899		
T	0,829	0,749	0,898	

The table above shows that the values produced through the Heterotrait-Monotrait Ratio (HTMT) analysis meet the criteria for valid data.

**Table 4 Fornell-Lacker Criterion Analysis Results.**

	<b>CI</b>	<b>PI</b>	<b>RM</b>	<b>T</b>
CI	0,801			
PI	0,743	0,791		
RM	0,766	0,767	0,792	
T	0,722	0,651	0,777	0,814

The above table shows that the analysis results of the Fornell-Larcker criterion values meet the criteria and can be considered valid.

### Reliability Analysis Results

Reliability analysis can be performed using the Cronbach's alpha and composite reliability. The goal is to analyze the consistency of the indicators used to calculate the reliability value of a construct. To find reliable indicators in reliability analysis, Cronbach's alpha and composite reliability values must be between 0.60 and 0.95. If it does not meet these criteria, reliability analysis is deemed unreliable ([Sarstedt et al., 2021](#)).

**Table 5 Results of Cronbach's Alpha and Composite Reliability Analysis.**

<b>Variabel</b>	<b>Cronbach's Alpha</b>	<b>Composite Reliability</b>
Corporate Image	0,860	0,900
Purchase Intention	0,850	0,893
Relationship Marketing	0,851	0,894
Trust	0,873	0,907

## Assumption Analysis Results

The assumption of data analysis can be made by testing multicollinearity obtained through the Variance Inflation Factor (VIF) value. The VIF value is considered ideal if the result is no more than three or close to it; otherwise, if the VIF value is five or higher, it indicates a critical collinearity problem between the measured constructs (Sarstedt et al., 2021).

**Table 6 Multicollinearity Test Results.**

Variable	VIF Value	Information
	Purchase Intention	
RelationshipMarketing	1,211	No multicollinearity
Trust	2,547	No multicollinearity
Corporate Image	2,708	No multicollinearity

It is proven in the table above that the variables of relationship marketing, trust, and corporate image do not have multicollinearity among the variables because the VIF values are not more than 5 ( $<5$ ).

## Results of Determination Coefficient Analysis (R<sup>2</sup>)

**Table 7 Results of the Determination Coefficient (R<sup>2</sup>) test.**

Variable	R-Square	Information
Purchase Inteniton	0,647	Currently

The R-Square value for the purchase intention variable shown in the table above is 0.647, indicating that the endogenous variable (purchase intention) can be influenced by 64.7% of the exogenous variables (relationship marketing, trust, and corporate image). Thus, the endogenous variable of purchase intention in this study has a relatively moderate influence, and the remaining 36.9% is generated by variables not included in this study.

Effect Size (f2) Test Analysis

Table 8. Effect Size Test (f2)

Variable	Purchase Intention
Relationship Marketing	0,193
Trust	0,000
Corporate Image	0,144

This study's effect size (f2) test results prove that the variables of relationship marketing and corporate image have a strong effect on the variable of purchase intention, with values of 0.193 and 0.144, respectively. Meanwhile, for the trust variable, the value produced was 0.000, indicating that trust had no effect on the purchase intention variable.

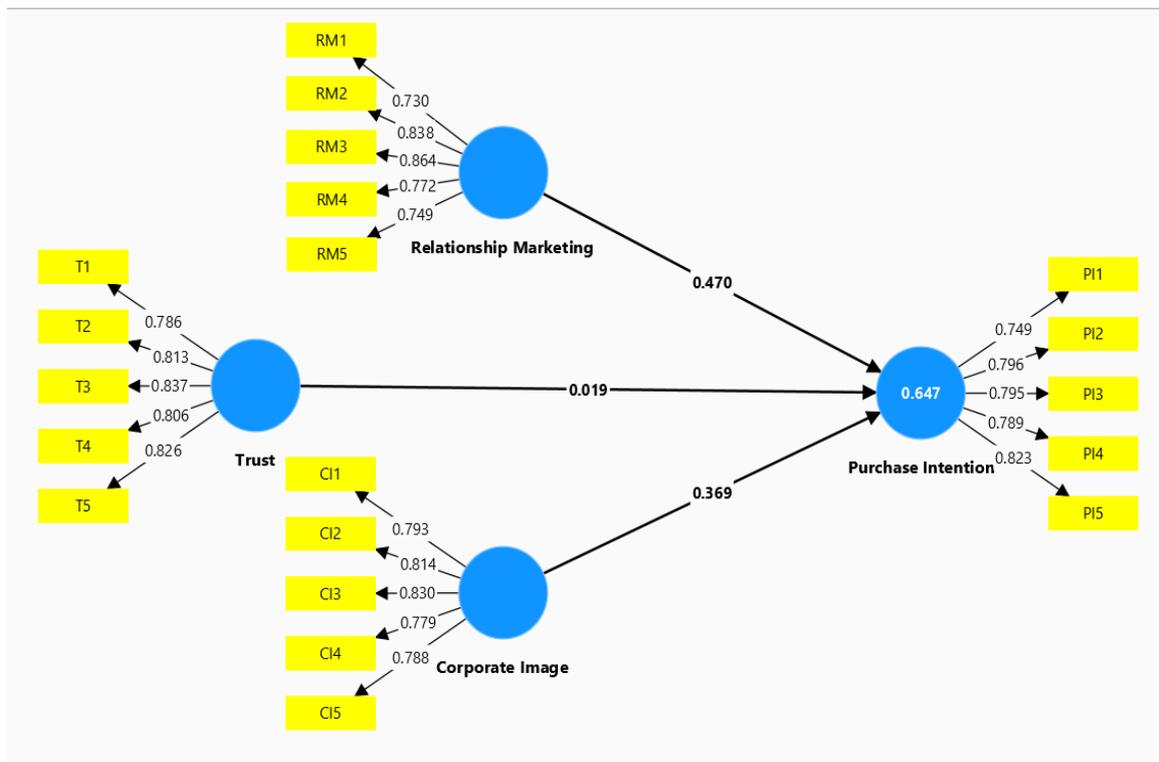


Figure 2. Bootstrapping results.

## Hypothesis Analysis Results

**Table 9. Hypothesis Analysis Results**

Variable	Path Coefficient	P-value	Information
Relationship Marketing → Purchase Intention	0,470	0,000	Supported
Trust → Purchase Intention	0,019	0,811	Not Supported
Corporate Image → Purchase Intention	0,369	0,000	Supported

The hypothesis result of this research is as follows:

H1: Relationship marketing has a positive and significant influence on purchasing intention for properties in Pantai Indah Kapuk (PIK) in Jakarta. Sales that build relationships with customers can encourage their purchase interest in Pantai Indah Kapuk (PIK) residential properties.

H2: Trust does not have a significant influence on purchasing intention for Pantai Indah Kapuk (PIK) housing properties in Jakarta. The main reason is that this study includes respondents who are mostly students (90.2 %), so even though they believe in the offered house properties or have the ability to buy them, they still cannot trust and are not interested in buying Pantai Indah Kapuk (PIK) house properties because Pantai Indah Kapuk (PIK) house properties fall into the category of high-priced house properties.

H3: Corporate image has a positive and significant influence on purchasing intention for properties in Pantai Indah Kapuk (PIK) in Jakarta. If Pantai Indah Kapuk (PIK) has a good corporate image, it can encourage someone to make a purchase intention by considering whether the products offered align with the vision and mission of Pantai Indah Kapuk (PIK). In this case, residential properties in Pantai Indah Kapuk (PIK) can be an alternative for them (customers) to allocate their wealth to purchasing assets or investing.

## Conclusions

The research examining factors influencing purchase intention for PIK housing properties in Jakarta revealed mixed results across the three hypothesized relationships. The analysis demonstrated that relationship marketing has a positive and significant influence on purchase intention for PIK properties, with a path coefficient of 0.470 and a p-value of 0.000. Similarly, corporate image has a positive and significant impact on purchase intention, with a path coefficient of 0.369 and a p-value of 0.000. However, contrary to the initial hypothesis, trust did not demonstrate a significant influence on purchase intention, as evidenced by a minimal

path coefficient of 0.019 and p-value of 0.811. This lack of significance in the trust variable can be attributed to the study respondents' demographics, which comprised predominantly students (90.2%) who, despite potentially trusting the property offerings, may not have the financial capacity to consider purchasing high-value PIK properties. The model's explanatory power is demonstrated by an R-square value of 0.647, indicating that 64.7% of the variance in purchase intention can be explained by the studied variables, with the remaining 36.9% influenced by factors outside the scope of this research.

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