

ANALISIS GREEN PRODUCT, GREEN PRICE DAN GREEN PLACE TERHADAP CUSTOMER DECISION RUMAH DI GREEN SUKUN IN MALANG

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ABSTRACT

The purpose of this research is to analyze the influence of Green Product, Green Price and Green Place on consumer purchasing decisions for houses in Green Sukun Malang.

The population of this research is consumers who have bought a house in the Green Sukun housing complex with a sample size of 70 respondents who have bought a house in the Green Sukun housing complex. The data analysis technique in this research uses Partial Least Square (PLS).

Based on the results of the analysis and problems of this research, the conclusions are as follows: 1. The better the green product, the better the ability to improve house purchasing decisions in Green Sukun. The higher the green price can increase the decision to purchase a house in Green Sukun. More green places can increase home purchasing decisions in Green Sukun.

Keywords: Green Product, Green Price Green Place and purchasing decisions

Introduction

Nowadays, housing needs have become a pressing issue that requires serious attention from the government, as many people still struggle to own homes that match their purchasing power. In Indonesia, housing development is overseen by the organization Real Estate Indonesia (REI), which functions primarily as a coordinator between developers and the community to ensure that housing demands are met. The Indonesian real estate sector can be categorized into two main market segments: the construction of simple houses, which may be owned or rented and often form part of social welfare programs, and other property developments, including infrastructure and investment-oriented buildings such as offices, commercial and industrial facilities, special-purpose buildings, and luxury housing. This dual structure reflects the diverse needs of the population and highlights the importance of strategic planning and coordination in addressing the ongoing housing challenges in the country.

The real estate business experiences continuous cycles, both in the short and long term, influenced not only by economic and political factors but also by emerging challenges arising from technological advances, information accessibility, and regional as well as global competition. Consumers do not purchase homes impulsively; their decisions are influenced by factors such as green products, green pricing, and green locations. Customer decision-making is a process in which consumers recognize a problem, seek information about products or brands that solve the problem, and ultimately make a purchase decision (Melati, Rodhiyah, & Widayanto, 2018).

Housing development for the upper-middle-class segment is typically carried out by private developers, who prioritize profit. To achieve this, they focus on the aesthetic appeal and design of the homes, often employing development consultants to ensure that the housing is attractive to buyers. Meanwhile, supporting infrastructure, such as roads, drainage systems, and public facilities within the residential complex, is also maximized to

enhance the value of the development. Consequently, these factors influence consumers to purchase the homes offered by developers.

Environmental degradation and global warming are critical issues in Indonesia. Rising temperatures, extreme climate changes, and ecological disruptions significantly impact human life. Many parties are seeking to protect the environment by promoting lifestyle changes and constructing healthier, environmentally friendly buildings through efforts such as reforestation. Increasingly, property developers are aware of these environmental concerns, which has led them to adopt the green building concept as a primary design principle.

The objective is to create energy-efficient, sustainable, and comfortable housing solutions while adhering to green building standards. A practical example is the “Green Sukun” housing concept, which incorporates beautiful, cool gardens within and around the residential complex to transform it into an environmentally friendly space. This type of housing is highly demanded by the public because of its environmental benefits. A cooler and healthier living environment can also be achieved by expanding separate green spaces.

Future infrastructure planning aims to eliminate urban slums, optimize land use, conserve energy, maximize access to drinking water, and ensure proper sanitation—including wastewater, garbage management, and drainage—while simultaneously protecting both the physical and social environment and reducing pollution. The growing human population and diminishing natural resources emphasize the importance of environmentally sustainable and sound development practices.

As its name suggests, Green Sukun adopts a green living housing concept designed to enhance the comfort and well-being of its residents. This environmentally conscious approach is supported by various eco-friendly facilities within the units, including solar water heaters, eco-friendly paint, biological septic tanks, and environmentally friendly laundry products. Beyond the homes themselves, the residential area is designed with well-planned green open spaces that are both aesthetically pleasing and provide a cooling effect, contributing to a healthier living environment.

Awareness among Indonesian citizens, particularly in Malang Regency, regarding the importance of environmentally friendly housing has been steadily increasing. This trend is driven by rapid population growth that is not always matched by sustainable residential planning, leading to environmental concerns related not only to public health but also to the long-term survival of humans and future generations. The growing property development sector in Malang Regency, which often prioritizes profit without adequate attention to environmental conditions, further underscores these concerns.

Developers must therefore provide services and housing products that meet consumer expectations, ensuring that Green Sukun remains attractive in the market. However, over the past two years, significant fluctuations in sales have been observed. According to data from PT Podo Joyo Group, sales in 2018 were low due to the early opening phase, while the COVID-19 pandemic caused a decline in 2020. In 2022, sales again decreased despite economic stabilization and a property market recovery. Competition from other residential developments offering competitive prices and quality also affects consumer choices.

Consumer perception of the green living concept presents another challenge. Green housing requires higher initial investment compared to conventional housing, resulting in relatively higher prices. This may lead some potential buyers to hesitate, perceiving the homes as expensive. Additionally, constructing environmentally friendly facilities entails significant costs, and the general public often lacks sufficient education on the benefits of

green living and the importance of environmental stewardship. These factors create challenges for developers in promoting and selling green housing.

In a competitive housing market, companies must respond to consumer demand by continuously innovating. PT Podo Joyo Group must understand consumer preferences directly through marketing activities, offering housing products with attributes that influence customer decision-making. With many competitors in the housing sector, the company must carefully analyze consumer behavior, avoiding practices that could harm its reputation, and consistently provide high-quality services that meet consumer expectations.

Changes in consumer behavior—particularly regarding sensitivity to green products, pricing, and locations—directly affect purchasing decisions for houses in Green Sukun. Therefore, management must implement effective marketing strategies, including optimizing the marketing mix to attract buyers. Research on the influence of green products, green pricing, and green locations on consumer decision-making is essential, as marketing that creates a meaningful impression is more likely to capture consumer attention.

Customer decision-making involves consumers' confidence in a product, reflecting their trust in their choice. Factors influencing purchasing decisions include green pricing, brand reputation, promotions, and other marketing-related elements. In the context of environmentally friendly products, additional factors such as personal values, beliefs, knowledge, needs, motivations, behaviors, and demographics also significantly affect consumer choices (Kusumastuti, 2017).

RESEARCH METHODS

Operational definitions describe variables in terms of measurable characteristics that can be observed and analyzed in research. In this study, **Green Product (X1)** refers to the combination of goods and services offered to meet market needs and desires. **Green Price (X2)** represents the value or satisfaction derived from the pricing of a product, reflecting consumers' perceptions of fairness and affordability. **Green Place (X3)** relates to the accessibility and availability of the product for consumers at the right time and location. Finally, **Customer Decision (Y)** describes the process by which consumers assess alternatives and make choices regarding the purchase of housing, including the evaluation of needs, information gathering, decision-making, and satisfaction with the purchased product.

Population and sample

Population is a combination of all elements in the form of events things or people who have similar characteristics that are the center of attention of researchers because it is seen as a universe of researchers (Ferdinand, 2016). The population of this study is consumers who have already purchased a house in Green Sukun housing estate.

The sample is part of the number and characteristics possessed by the population (Sugiyono, 2010). This research ini uses metode *non probability sampling method* and determined by teknik *purposive sampling* technique, which is a technique that determines the sampling is secara not random whose information is obtained with pertimbangan certain considerations. Withdrawal of sampling based on the characteristics of ATU characteristics possessed by the sample. The characteristics of the criteria in question are :

1. Is a consumer who already occupies Green Sukun
2. Been living in Green Sukun for 3 years

According to Ghozali, Imam, (2016), the number of samples depending on the number of parameters estimated by the guidelines is 5-10 times the number of

parameters estimated. Because in this study ini there are 14 indicators, the number of samples in this study ini is $14 \times 5 = 70$, the sample used 70 respondents who have bought a house in Green Sukun Housing.

Data Analysis Methods

According to Sujarweni (2015: 45), quantitative data analysis is conducted using statistical methods, which involve analyzing basic statistics by reading tables, graphs, or available numerical data, followed by describing or interpreting these data. Meanwhile, Sugiyono (2015: 147) states that in quantitative research, data analysis activities include grouping data based on variables and respondent types, tabulating data according to variables for all respondents, presenting data for each studied variable, performing calculations to answer research questions, and conducting tests to examine hypotheses. Research requires data analysis and interpretation to answer research questions and uncover certain social phenomena; thus, data analysis is the process of simplifying data into a form that is easier to read and interpret while allowing more flexible assumptions.

The Partial Least Squares (PLS) method can also be used for both confirmation purposes, such as hypothesis testing, and exploratory purposes. However, PLS is generally preferred for exploratory rather than confirmatory objectives. The main purpose of PLS is to explain the relationships between constructs and to emphasize the strength of these relationships. Additionally, PLS can measure the influence of each indicator on its construct. In PLS, bootstrapping tests can also be performed on both the structural model (inner model) and the measurement model (outer model). Since this study uses indicators to measure each construct and employs a structural measurement model, PLS is suitable.

In this study, the researchers applied the Partial Least Squares (PLS) method, which can be used with any type of data scale, including nominal, ordinal, interval, and ratio. For this purpose, the researchers utilized the SmartPLS software to assist in the analysis. PLS-SEM analysis consists of two main components: the measurement model (outer model) and the structural model (inner model).

1. Measurement Model (Outer Model) Test

The measurement model, or outer model, illustrates how each block of indicators relates to its corresponding latent variable. Evaluation of the measurement model is conducted using confirmatory factor analysis, typically through the Multi-Trait Multi-Method (MTMM) approach, which assesses both convergent validity and discriminant validity. Reliability is tested in two ways: using Cronbach's Alpha and Composite Reliability (Ghozali & Latan, 2015).

2. Structural Model (Inner Model) Test

The structural model, or inner model, describes the relationships and strength of estimates between latent variables or constructs based on substantive theory.

- a. R-Square, In evaluating the structural model, the first step is to examine the R-square values for each endogenous latent variable, which indicate the predictive power of the model. R-square values serve as a measure of model goodness-of-fit, and changes in these values can explain the effect of exogenous latent variables on endogenous latent variables, reflecting the substantive influence. According to Ghozali & Latan (2015), R-square values of 0.75, 0.50, and 0.25 indicate strong, moderate, and weak predictive models, respectively.

- b. Path Coefficient Estimates, The next step is to assess the significance of the relationships between variables by examining the parameter coefficients and their corresponding t-values. The statistical significance of the path coefficients is tested using the bootstrapping method (Ghozali & Latan, 2015).

RESEARCH RESULTS AND DISCUSSION

Results of analysis and hypothesis testing

1. Testing Model (*Outer Model*)

The *Outer Model* is a model that specifies the relationship between latent variables dengan and indicators or it can be said that the *Outer Model* defines how each indicator relates to its latent variables (Ghazali, 2008: 22). Here below ini is the *output* in the form nilai of the Outer Loading value of each variable

Table 1.. Outer Loading

	Factor Loading (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
X1.1 -> GREEN PRODUCT (X1)	0.377772	0.280176	0.481040	0.481040	0.785324
X1.2 -> GREEN PRODUCT (X1)	0.811622	0.394811	0.476925	0.476925	1.701783
X1.3 -> GREEN PRODUCT (X1)	0.708183	0.321585	0.490811	0.490811	1.239138
X2.1 <- GREEN PRICE (X2)	0.983401	0.258665	0.506680	0.506680	1.940872
X2.2 <- GREEN PRICE (X2)	0.227572	0.337553	0.488709	0.488709	0.465754
X2.3 <- GREEN PRICE (X2)	0.181686	0.308651	0.549370	0.549370	0.330716
X3.1 <- GREEN PLACE (X3)	0.134750	0.176513	0.495264	0.495264	0.272077
X3.2 <- GREEN PLACE (X3)	-0.436898	-0.122752	0.540537	0.540537	0.808265
X3.3 <- GREEN PLACE (X3)	0.958598	0.481546	0.573281	0.573281	1.672124
Y1 -> CUSTOMER DECISION (Y)	0.309498	0.373470	0.475958	0.475958	0.650264
Y2 -> CUSTOMER DECISION (Y)	0.961779	0.658138	0.471358	0.471358	2.040441

Source: Appendix

Based on the outer loading table above, the variables with reflective indicators are *Green price* and *Green place*, where not all indicators of the two variables have a loading factor (original sample estimate) greater than 0.50 and or significant (t-Statistic value more than the value of Z (3) = 0.10 (10%) = 1.645), so that the indicator is a gauge/indicator of the variable. Overall, the estimation result has met *convergent validity* and its validity is good.

Average Variance Extracted (AVE)

Table 2 Average Variance Extracted

	AVE
GREEN PRICE (X2)	0.350625
CUSTOMER DECISION (Y)	
GREEN PRODUCT (X1)	
GREEN PLACE (X3)	0.375982

Source: Appendix

The next measurement Model is the value of *Average Variance Extracted (AVE)*, that is, the value indicates the magnitude of the variance of the indicator contained by the latent variable. Converging AVE value greater than 0.5 also shows the adequacy of good validity for latent variables. Pada variabel indikator reflektif dapat dilihat dari nilai Avarage variance extracted (AVE) untuk setiap konstruk(variabel). A good model is required if the Ave value of each construct is greater than 0.5.

Reliability

Table 3. ReliabilitasData Reliability

	Composite Reliability
<i>GREEN PRICE (X2)</i>	0.498890
<i>CUSTOMER DECISION (Y)</i>	
<i>GREEN PRODUCT (X1)</i>	
<i>GREEN PLACE (X3)</i>	0.187117

Construct reliability is assessed using composite reliability, where a construct is considered reliable if its composite reliability value exceeds 0.70, indicating that the indicators consistently measure the latent variable. The test results in this study show that the composite reliability values for the constructs Green Price and Green Place are below 0.70, indicating low reliability. For variables with formative indicators, such as Green Product and Customer Decision, reliability measures like composite reliability are not required.

Formative indicators cannot be evaluated through convergent validity or composite reliability because their measurement is based on the regression relationship between indicators and the construct. Therefore, the evaluation of formative variables is performed by examining the outer weights of each indicator and the significance of these weights, which reflects how strongly each indicator contributes to the construct.

Results For Outer Weights

Table 4 Data Results For Outer

	Factor Loading (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
<i>X1.1 -> GREEN PRODUCT (X1)</i>	0.187792	0.182741	0.522623	0.522623	0.359326
<i>X1.2 -> GREEN PRODUCT (X1)</i>	0.759710	0.368690	0.498850	0.498850	1.522922
<i>X1.3 -> GREEN PRODUCT (X1)</i>	0.513770	0.252936	0.528417	0.528417	0.972264
<i>X2.1 <- GREEN PRICE (X2)</i>	0.966944	0.225732	0.504805	0.504805	1.915479
<i>X2.2 <- GREEN PRICE (X2)</i>	0.148530	0.276872	0.490545	0.490545	0.302786
<i>X2.3 <- GREEN PRICE (X2)</i>	0.084242	0.240739	0.554006	0.554006	0.152070
<i>X3.1 <- GREEN PLACE (X3)</i>	0.081105	0.164024	0.439333	0.439333	0.184709
<i>X3.2 <- GREEN PLACE (X3)</i>	-0.263897	-0.020244	0.456844	0.456844	0.577653
<i>X3.3 <- GREEN PLACE (X3)</i>	0.911514	0.459172	0.527155	0.527155	1.729118
<i>Y1 -> CUSTOMER DECISION (Y)</i>	0.274007	0.352582	0.477751	0.477751	0.573536
<i>Y2 -> CUSTOMER DECISION (Y)</i>	0.951565	0.642277	0.482664	0.482664	1.971484

Source: Appendix

The results of the testing presented in the outer weight table indicate that the Y2 indicator of the Customer Decision variable is significant, as its T-statistic value exceeds 1.645 (at $Z \alpha = 0.10$). Therefore, it can be concluded that the Y2 indicator is the most dominant measure of the Customer Decision variable.

Inner Model

Testing of the structural model is done by looking at the value of R-Square which is a test of *goodness-fit model*. Testing the inner model can be seen from the value of R-square in the equation between latent variables. The value of R^2 describes how much the

exogenous variable (independent / free) in the model is able to explain the endogenous variable (dependent/bound).

Table 5 R-Square

	R Square
<i>GREEN PRICE (X2)</i>	
<i>CUSTOMER DECISION (Y)</i>	0.082591
<i>GREEN PRODUCT (X1)</i>	
<i>GREEN PLACE (X3)</i>	

The R^2 value is 0.0825, which indicates that the model is able to explain approximately 8.26% of the variation in customer decision. The remaining 91.74% is influenced by other factors not included in the model or by measurement errors. In other words, Customer Decision is affected by Green Product, Green Price, and Green Place by 8.26%, while the remaining 91.74% is determined by variables outside of these three constructs. Furthermore, the relationships between constructs can be analyzed through the path coefficients presented in the inner model.

Results For Inner Weights

Tabel 6 Result For Inner Weights

	Koefisien Path (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STERR)	P Vslues
<i>GREEN PRICE (X2) -> CUSTOMER DECISION (Y)</i>	0.404	0.411	0.129	3.134	0.002
<i>GREEN PRODUCT (X1) -> CUSTOMER DECISION (Y)</i>	0.218	0.236	0.084	2.607	0.009
<i>GREEN PLACE (X3) -> CUSTOMER DECISION (Y)</i>	0.451	0.424	0.126	3.575	0.000

Source: Appendix

1. Green Product has a significant positive effect on Customer Decision, as indicated by a T-statistic of 3.134 and a p-value of 0.002, which is smaller than the significance level $\alpha = 0.05$ (5%).
2. Green Price also has a significant positive effect on Customer Decision, with a T-statistic of 2.607 and a p-value of 0.009, below the threshold of $\alpha = 0.05$ (5%).
3. Green Place shows a significant positive effect on Customer Decision, as evidenced by a T-statistic of 3.575 and a p-value of 0.000, which is lower than $\alpha = 0.05$ (5%).

Discussion

The Effect of the Green Product Variable on Customer Decision

The findings of this study indicate that the Green Product variable significantly influences customer decision-making regarding housing in Green Sukun. This suggests that consumers carefully evaluate the housing units based on the design and quality of the building model. The quality of the product serves as a critical determinant in shaping consumer perceptions and purchase intentions, as it reflects the product’s ability to fulfill its intended functions, including durability, reliability, ease of use, maintenance, and other important features. In practice, the houses offered by the developer are designed to meet the contemporary expectations of consumers, both in terms of aesthetic appeal and functional suitability. The architectural design, room layout, and additional features of the houses effectively align with the needs and preferences of modern homebuyers, making

the housing units more attractive in the eyes of potential consumers. These results are consistent with the findings of Melati, Rodhiyah, and Widayanto (2018), who reported that green products have a positive and significant influence on customer decision-making, emphasizing that product attributes and quality are crucial factors that drive consumer interest and satisfaction.

The Effect of the Green Price Variable on Customer Decision

The analysis also reveals that the Green Price variable exerts a positive effect on customer decisions when purchasing housing in Green Sukun. This indicates that consumers are highly responsive to pricing factors, including the base price of the house and any discounts or special offers available at the time of purchase. Price represents the total value exchanged by consumers to acquire ownership of a product or service, and it often serves as a key consideration in the decision-making process. In this study, the prices set by the developer are considered reasonable relative to the perceived value of the houses, and additional incentives, such as larger discounts for cash payments, further enhance the attractiveness of the housing units. These findings corroborate the results of Fikri (2012), which demonstrated that price has a significant positive influence on customer decisions. The implication is that pricing strategies, including competitive pricing and promotional discounts, can effectively motivate consumers to choose a particular housing product over alternatives, highlighting the importance of price as a marketing tool in the real estate sector.

The Effect of the Green Place Variable on Customer Decision

Furthermore, the results show that the Green Place variable significantly affects customer decisions regarding housing in Green Sukun. Accessibility and strategic location play a pivotal role in shaping consumer perceptions and preferences. Green Place refers to the degree to which a housing location is considered strategically advantageous in terms of distance, connectivity, and ease of transportation. In the case of Green Sukun, the residential area is easily accessible through multiple public transportation routes, which facilitates commuting and enhances the overall convenience for residents. The location's proximity to important facilities, such as markets, schools, and highways, adds further value to the housing units and makes them more attractive to potential buyers. These findings align with the research of Melati, Rodhiyah, and Widayanto (2018), who demonstrated that location or accessibility significantly influences customer decision-making. This emphasizes that developers must carefully consider site selection and transportation accessibility when planning housing projects, as these factors contribute substantially to consumer satisfaction and purchasing intentions.

CONCLUSIONS

Based on the results of the analysis and the research findings, the conclusions of this study are as follows:

1. Higher-quality Green Products positively influence customer decisions in purchasing houses at Green Sukun.
2. Higher Green Prices that are perceived as reasonable positively affect customer decisions in buying houses at Green Sukun.
3. A better Green Place, in terms of accessibility and strategic location, positively impacts customer decisions to purchase houses at Green Sukun.

Overall, these findings indicate that consumers are more likely to buy houses that meet their needs when the product quality, pricing, and location aspects are optimized by the developer.

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