

# How does Brand Image, Price, and Promotion Influence Consumer Decisions in Mortgage Financing?

## PT Bank Negara Indonesia (Persero) Tbk Branch of UI Depok

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**Abstract:-** This study aims to analyze the Influence of Brand Image, Price, and Promotion to Consumer Decision at PT Bank Negara Indonesia (Persero) Tbk UI Depok Branch. The method used in this research is by randomly distributing questionnaires to consumers in PT Bank Negara Indonesia (Persero) Tbk Branch of UI Depok have obtained mortgage financing. The analytical tool used is Multiple Linear Regresi, the result of this research indicates that the significant positive effect on consumer decision, brand image has a significant positive effect on consumer decision, the price has a significant positive effect on consumer decision and the promotion has a significant positive effect on consumer decision.

**Keywords:-** Brand Image, Price, Promotion, and Consumer Decision.

### I. INTRODUCTION

Development in the banking sector today is high-speed. Government banks and private banks appear to be more aggressive in offering various banking products to consumers, namely funding and lending products. The rapid development has made competition fiercer among the large number of banks in Indonesia, especially in Depok. It causes consumers to have many choices to save and distribute funds.

Depok City is a city directly adjacent to the National Capital. As a buffer zone for the City of Jakarta, Depok City is experiencing high population migration pressure, which causes the housing to increase. In this case, one of the banks in Depok, namely Bank Negara Indonesia, Tbk (Persero) KCU UI Depok as one of the state-owned banks in Indonesia in providing funding and lending facilities are increasingly needed in the distribution of its products.

One of the lending facilities provided by Bank Negara Indonesia UI Depok Main Branch Office is Home Ownership Credit (mortgage) or commonly called BNI Griya. BNI Griya is a consumer financing facility that can be used for various purposes including; purchase of new and used houses, construction, renovation, top-up, refinancing, or, take over the property in the form of houses and apartments, the amount of which is adjusted to the needs of

each consumer. This has become an opportunity for banks to do mortgage marketing for people who cannot afford to buy houses in cash. Thus, the existence of alternative housing purchases on credit among the people is a preferred choice. This can be seen in Figure 1

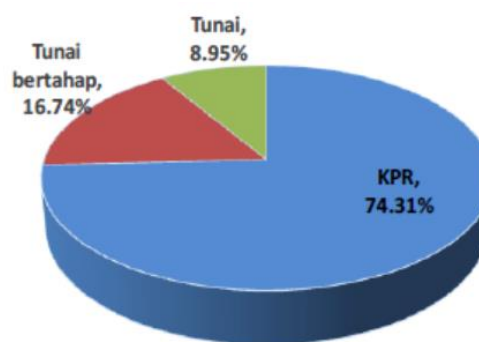


Fig 1:- Source of Residential Property Financing  
Source: Bank Indonesia (2017)

Based on Figure 1, a survey conducted by Bank Indonesia regarding "sources of residential property financing (from the consumer side)" showed that most consumers still chose mortgages as the main facility in conducting property purchase transactions with a percentage of 74.13%.

Based on the BNI mortgage booking data shows changes from year to year. In 2014, there was a decrease of around 28.11% from 2013. this was due to Bank Indonesia's benchmark interest rate (BI rate), which again rose to influence BNI's policy in setting interest rates but did not continue in the next year. In 2015 BNI mortgage booking data increased by 60% from the previous year. The highest mortgage BNI booking data for the past five years occurred in 2016, which was 525,870 (Million Rupiah).

In line with the large number of banks that provide mortgage financing facilities that are considered to have promising prospects and market share and in the face of competition among mortgage channeling banks, a good effort is needed in getting prospective customers and retaining existing customers. One of the businesses that can

be done by the banking sector is by providing the right brand image of products sold that provide a particular image to consumers so that consumers prefer and choose these banking products compared to products offered by other banks.

This is by the statements of Kotler and Keller (2012: 263-264), namely "Perception and beliefs held by customers," As reflected in the associations held in customer memory. The purpose of the sentence above is that consumers will embrace perceptions and beliefs by the experiences they have felt and summarized in their memories. The price level applied at each company can affect the quantity sold. Price is also an important variable because it can affect consumer awareness of a particular product brand. Companies often face situations where companies have to make price changes or respond to price changes after developing a pricing strategy. Kotler (2011: 345) argues that price is the amount of money billed for a product and service or the amount of value exchanged by customers to benefit from owning or using a product and service. After considering prices, consumers also consider promotion. Promotion can also influence consumers in making decisions when purchasing.

According to Kotler (2012: 76), "Promotion means activities that communicate the merits of the product and persuade the target customers to buy it." it means promotion is an activity that communicates the benefits of a product and persuades the target consumer to buy the product. According to Kotler (2012: 166), the purchase decision is a purchase decision process consisting of five stages carried out by a consumer before arriving at the purchase decision and subsequently post-purchase.

Research with similar topics has been widely studied as well as research conducted by Nurhayati (2017) states that the brand image and price variables do not have a significant influence on the purchase decision variable while the promotion variable has a significant influence on the purchase decision variable similar to the research conducted by Onsu et al. (2015) states that the brand image variable does not influence the purchase decision variable while other variables such as product attribute variables and promotion strategies both influence the purchase decision variable. However, different is the case with Fristiana's (2012) research in her research at Crowded Peterongan Semarang Semarang, which found that brand image and price variables both have a significant influence on purchasing decisions.

Another study was conducted by Tan (2011), the results of his research showed the results of variable prices, promotions and services had a significant influence on purchasing decisions as well as research conducted by Evelina et al. (2012) that variable brand image, product quality, price, and promotion influences the purchase decision variable. However, it is different from the research conducted by other researchers, where one of the variables has no influence, as research conducted by Mandey (2013) shows that the price variable does not influence purchasing

decisions while the promotion and distribution variables influence purchasing decisions and research conducted by Setyarko (2016) also shows that the price variable does not influence purchasing decisions while the promotion variable, service quality, and user convenience have a significant influence on purchasing decisions.

The high level of competition and consumer demands has made banks have to prepare specific strategies on brand image, price, and promotion to be applied to banks to stay afloat and develop among other competing banks. If all three variables are applied appropriately, strategies will be created that can bring benefits.

Based on this background, the writer is interested in writing research entitled "The Effect of Brand Image, Price and Promotion on Consumer Decisions in Mortgage Financing at PT Bank Negara Indonesia (Persero) Tbk, Branch Office of UI Depok."

## II. THEORETICAL REVIEW AND RESEARCH HYPOTHESIS

### ➤ *Consumer behavior*

The consumer can be an individual or an organization that has different roles in consumption behavior. Consumer behavior is the process a person or organization goes through to find, buy, use, evaluate, and dispose of a product or service after consumption to meet its needs. Another definition of consumer behavior is the process and activities when a person or organization deals with searching, selecting, purchasing, using, and evaluating products or services to meet their wants and needs.

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From some of the definitions above, consumer behavior is the process of choosing, buying, using, or regulating products and services in making decisions to meet the needs and desires of consumers.

### ➤ *Buying Decisions*

According to Kotler and Armstrong (2012: 157), "Consumer buyer behavior refers to the buying behavior of final consumers - individuals and households that buy goods and services for personal consumption," this understanding can be interpreted that buying decision behavior refers to the final buying behavior of consumers, both individuals, and households who buy goods and services for personal consumption.

➤ *Relationship between Brand Image and Purchasing Decisions*

According to Roslina (2010: 334), defining that "Brand image is a guide that will be used by consumers to evaluate products when consumers do not have enough knowledge about a product." There is a tendency that consumers will choose products that are well known through their experience using products and based on information obtained through various sources. According to Fristiana (2012), in his research, found that a variable brand image has a significant influence on purchasing decisions. Research from Fristiana (2012) also shows that brand image variables significantly influence purchasing decisions.

The above studies show that brand image influences purchasing decisions. Brand image is a factor that can encourage consumers to decide on a purchase because often, the information is heard from various sources. Also, often, the brand of the product is used by most people.

H1: Brand image influences purchasing decisions at PT Bank Negara Indonesia (Persero) Tbk

➤ *The relationship between Price and Purchasing Decisions*

According to Kotler (2011: 345), price is the amount of money billed for a product and service or the amount of value exchanged by customers to benefit from owning or using a product and service. Research conducted by Evelina et al. (2012) also proves that price variables positively and significantly affect purchasing decision variables.

The above studies show that price influences purchasing decisions. Price is a factor that can encourage consumers to decide on a purchase because consumers will consider how much money they spend with needs.

H2: Price influences purchasing decisions at PT Bank Negara Indonesia (Persero) Tbk

➤ *Relationship between Promotion and Purchasing Decisions*

According to Rangkuti (2010: 50), "Promotion is a sales and marketing activity to inform and encourage demand for products, services, and ideas from companies by influencing consumers to want to buy products and services produced by the company." The results of research conducted by Tan (2011) show that the price variable has a significant influence on purchasing decisions.

H3: Promotion influences purchasing decisions at PT Bank Negara Indonesia (Persero) Tbk

➤ *Relationship of Brand Image, Price, Promotion and Purchasing Decisions*

Brand image, price, and promotion are essential elements considered by consumers that influence purchasing decisions. Based on an analysis of research, Evelina et al. (2016) prove that the variable brand image, price, and promotion is very influential in purchasing decisions.

H4: Brand image, price, and promotion influence the purchase decision at PT Bank Negara Indonesia (Persero) Tbk.

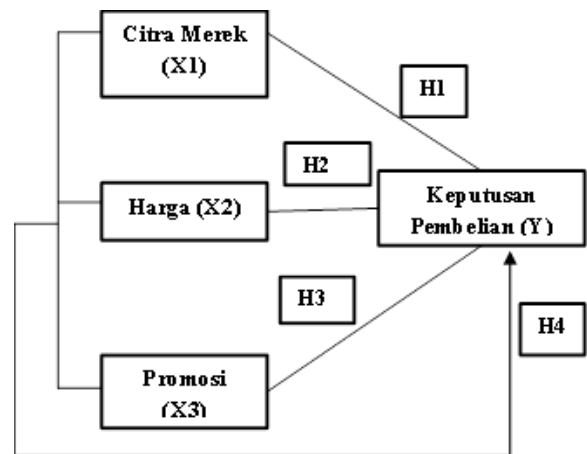


Fig 2

**III. RESEARCH METHODOLOGY**

➤ *Research design*

The research design used in this study is the causality research design. According to Sanusi (2011: 14), a causality research design is a structured research design to examine the possibility of causal relationships between variables. Meanwhile, if judging from the type of data and analysis, this research is a quantitative descriptive study using survey methods. According to the type and analysis, this research is quantitative. Sugiyono (2003: 13-14) provides a quantitative definition of data in the form of numbers or qualitative data framed, while qualitative data is data expressed in terms of words, sentences, and images.

The variables used in this study consisted of independent variables and dependent variables (dependent). The independent variable is a variable that can be measured, manipulated, or chosen by the researcher to determine its relationship with an observed symptom. The independent variable is also a variable whose existence is not influenced by other variables. Even this variable can affect other variables. In this study, the independent variables are Brand Image, Price, and Promotion. At the same time, the dependent variable is a variable that is influenced by the independent variable.

In this study, the dependent variable is a consumer decision in purchasing.

To examine the possibility of a causal relationship between the variables to be examined, an analysis tool in the form of a correlation test, multiple linear regression tests, and the determination's coefficient accompanied by testing the research hypothesis. In comparison, processing research data with statistical models using the IBM SPSS Statistics 20 program.

➤ *Population*

According to Sugiyono (2013: 80), the population is a generalization area consisting of objects or subjects with specific qualities and characteristics determined by researchers to be studied and then conclusions drawn. The population in this study were all consumers who chose their mortgage financing through BNI, who was already doing a credit agreement at the 22nd Floor LNC Jakarta and 22nd Floor BNI Konda Margonda Depok but the exact amount was unknown to researchers.

Samples taken by researchers based on Sugiyono (2012: 91), from the total population of researchers as many as 100 people, the researchers set the number of respondents as many as 100 respondents.

The sample is part of the number and characteristics possessed by the population. If the population is significant, and researchers may not study everything in the population, for example, because of limited funds, human resources, and time, researchers can use samples taken from that population (Sugiyono, 2013: 117). The sampling technique used by researchers is the nonprobability sampling technique. Non-probability sampling is a sampling technique that does not provide equal opportunity or opportunity for each member of the population to be selected as a sample. The sampling technique in this study uses purposive sampling, namely determining the number of samples with specific goals or considerations. The consideration: the sample is BNI Griya consumers (BNI mortgage) who have made a credit agreement.

The data used in this study are primary data obtained directly by researchers through the distribution of questionnaires. According to Sugiyono (2012: 225), primary data sources are data sources that directly provide data to data collectors. In this study, the data source is in the form of respondents' responses to statements related to the research variables contained in the research questionnaire.

The data collection method used in this study is by distributing questionnaires as research instruments. This study uses a closed questionnaire that allows consumers only to choose one of five alternative answers by the questionnaire's choices. The respondents' answers or ratings are then weighted using a Likert Scale.

**IV. INTERPRETATION OF RESULTS**

➤ *Normality Test Results*

This normality test analyzes whether the data about the independent variable (X) and the dependent variable (Y) are typically distributed. A normality test compares the data we have and the data with the normal distribution that has the same mean and standard deviation as the data we have. Average data has a normal distribution. Thus, the data is considered to be representative of the population. The test results can be seen in the Normal P-Plot diagram /graph.

Tests of Normality						
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Brand image	.084	100	.077	.981	100	.165
Price	.083	100	.084	.975	100	.054
Promotion	.080	100	.110	.988	100	.480
consumer decision	.084	100	.079	.960	100	.004
a. Lilliefors Significance Correction						

Table 1

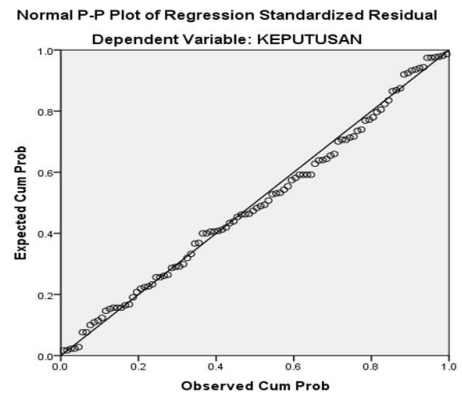


Fig 3

The P-Plot Normal diagram above shows a regular curve line marked by the distribution of data (dots) around the diagonal line, meaning that the data under study is usually distributed because the lines (dots) follow the diagonal lines.

➤ *Heteroskedasticity Test Results*

Heterokedastisitas test aims to determine the circumstances in which the residual inequality variance in the regression model. A good regression model requires no heteroscedasticity problems. The following results are obtained to detect heteroscedasticity by looking at the pattern of points in regression scatterplots using SPSS software.

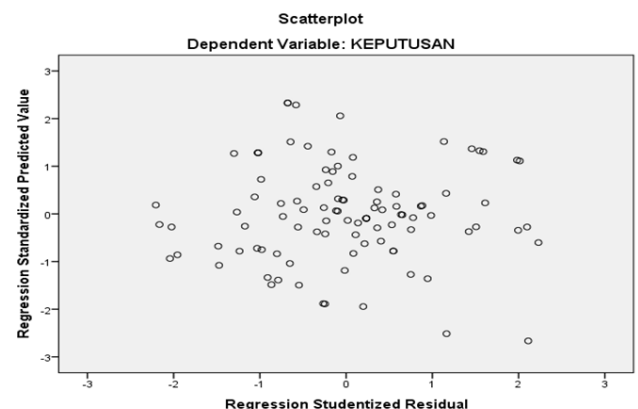


Fig 4



From the analysis of the output in the scatterplot diagram above, the points contained in the graph spread randomly, and do not form specific patterns clearly and scattered both above and below the number 0 on the Y-axis. This shows that the variables that are contained in this study did not experience heteroskedasticity problems.

➤ *Autocorrelation Test Results*

This test is conducted to determine whether or not there is a correlation between one confounding factor to another (no autocorrelation) to test the presence or absence of autocorrelation can be used Watson’s Durbin test using the SPSS program.

Model Summary					
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Durbin-Watson
1	.911 <sup>a</sup>	.829	.824	.22865	2.151
a. Predictors: (Constant), Promotion, Brand Image, Price					
b. Dependent Variable: Consumer Decision					

Table 2

From the table above, we can get Durbin Watson of 2,151. Then with  $k = 3$ ,  $n = 100$ , it can be seen in the Durbin Watson table  $dl = 1.6131$ , and  $du = 1.7364$ . Thus DW is in  $du$  and  $4-du$ , which is  $1.7364 < 2,151 < 2.2636$ , so it can be concluded that there is no autocorrelation.

➤ *Multicollinearity Test Results*

This test is conducted to test whether the relationship between independent variables has multicollinearity problems or not.

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.864	.228		-3.784	.000		
	Brand Image	.610	.080	.514	7.605	.000	.388	2.577
	Price	.293	.084	.242	3.500	.001	.372	2.685
	Promotion	.299	.066	.261	4.565	.000	.544	1.839
a. Dependent Variable: Consumer Decision								

Table 3

From decision making:

- If the VIF value  $< 10$ , then there is no symptom of multicollinearity among the independent variables.
- If the VIF value  $> 10$ , there will be symptoms of multicollinearity among the independent variables.

Based on the table above, it can be seen that the VIF value on the brand image variable  $2.2577 < 10$ , the price variable  $2.685 < 10$ , the promotion variable  $1.839 < 10$ . Thus, it can be concluded that there is no multicollinearity. Thus,

the value of VIF on each variable is not greater than 10; it means that all variables are free from multicollinearity or, in other words, multicollinearity does not occur.

➤ *T-Test Results*

T-test was conducted to determine the effect of each independent variable partially on the dependent variable. The following are the results of the t-test using the SPSS program.

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.864	.228		-3.784	.000		
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	Promotion	.299	.066	.261	4.565	.000	.544	1.839
a. Dependent Variable: Consumer Decision								

Table 4

Based on the results of the output table above, it can be seen that:

- The t value of the brand image variable (X1) is 7,605 with a significance level of 0,000 ( $< 0.05$ ), so it has a partially significant effect on consumer decisions (Y).

- The t value of the price variable (X2) is 3,500 with a significance level of 0.001 (0.05), so it has a partially significant effect on consumer decisions (Y)
- The t-value of the promotion variable (X3) is 4,565 with a significance level of 0,000 (0.05), so it has a partially significant effect on consumer decisions (Y)

➤ *Linear Regression Test Results*

The regression equation used is multiple regression. By using SPSS software, the regression coefficient values for brand image (X1), Price (X2) and Promotion (X3), and consumer decisions as dependent variables (Y) are as follows:

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.864	.228		-3.784	.000
	Brand Image	.610	.080	.514	7.605	.000
	Price	.293	.084	.242	3.500	.001
	Promotion	.299	.066	.261	4.565	.000
a. Dependent Variable: Consumer Decision						

Table 5

Based on the linear regression output above, this study's multiple regression analysis models can be formulated as follows:

$$Y = - 0.864 + 0.610X1 + 0.93X2 + 0.299 X3$$

➤ *Determination Coefficient Test Results*

This coefficient of determination serves to determine the percentage of influence of the Brand Image variable (X1), Price (X2), Promotion (X3) on the Consumer Decision variable (Y). The SPSS test results for the coefficient of determination can be seen in the following table:

Model Summary					
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Durbin-Watson
1	.911 <sup>a</sup>	.829	.824	.22865	2.151
a. Predictors: (Constant), Promotion, Brand Image, Price					
b. Dependent Variable: Consumer Decision					

Table 6

From the tests carried out in the table above, the R square value of 0.829 shows that the relationship between the independent and dependent variables is quite strong. The coefficient of determination R2 is 0.829, so it can be said that the results of the tests performed give good results. This shows that about 82.9% of the variations in consumer decisions can be explained by variable brand image, price, and promotion. The rest is influenced by other factors such as service, product quality, and others.

➤ *Discussion*

Based on the results of the study it can be explained that there is a significant influence between brand image variables on consumer decisions, as well as the price variable has a significant influence on consumer decisions

and promotion variables have a significant effect on consumer decisions in mortgage financing at PT Bank Negara Indonesia (Persero) Tbk.

Based on the first hypothesis, the results obtained by the coefficient for brand image variables of 0.610 and a t-test of 7.605 with a significant level of 0.000 (<0.05). Thus the first hypothesis which states that brand image variables affect consumer decisions can be accepted. The results of this study are in line with research conducted by Fristiana (2012), Defriansyah (2016), and Evelina (2012). They suggest that brand image is a powerful element and considered in consumer decisions.

Based on the second hypothesis, the regression coefficient results for the price variable of 0.293 and a t-test of 3.500 with a significance level of 0.001 (<0.05), then the second hypothesis, which states the price affects the consumer's decision can be accepted. This study's results are consistent with Tan's (2011), Fristiana's (2012) research. All research conducted shows that price variables contribute simultaneously and significantly to consumer decisions. This study's results contradict research conducted by Mandey (2013) states that the price variable does not have a positive influence on consumer decision variables.

Based on the third hypothesis, it can be obtained the results of the regression coefficient for the price variable of 0.299 and the t-value of 4.565 with a significance level of 0.000 (<0.05). The second hypothesis stating promotion has an effect on consumer decisions can be accepted. This study's results are consistent with Tan's (2011), Evelina (2012) research. All research conducted shows that promotion variables contribute simultaneously and significantly to consumer decisions.

**V. CONCLUSION**

Based on the results of data analysis and interpretation of the results and discussion that has been explained. Then the researcher can draw some conclusions to answer all the research problem formulations. The conclusion is as follows

- The brand image can be stated as good. This can be seen from each score questionnaire statement obtained for brand image variables is good.
- Price can be stated as good. This can be seen from each questionnaire score obtained for the variable price is high.
- Promotion can be declared good. This can be seen from each questionnaire score obtained for the promotion variable is good.
- Consumer decisions can be declared good. This can be seen from each questionnaire score obtained for the consumer decision variable that is good.
- Variable brand image has a positive and significant effect on consumer decisions in mortgage financing at PT Bank Negara Indonesia (Persero) Tbk Branch Office UI Depok
- Price variable has a positive and significant effect on consumer decisions in mortgage financing at PT Bank

Negara Indonesia (Persero) Tbk, UI Depok Branch Office

- Promotional variables have a positive and significant effect on consumer decisions in mortgage financing at PT Bank Negara Indonesia (Persero) Tbk, UI Depok Branch Office

In this research has been attempted and carried out according to scientific procedures, but there are still some limitations that limit this research, including; the factors that influence consumer decisions in this study only consist of three independent variables namely brand image, price, and promotion while there are still many other factors that influence consumer decisions and research involving a limited number of research subjects, namely as many as 100 people, so the results have not been able to generalize to a large group of subjects.

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