

The Influence of Digital Marketing, Location, and Electronic Word of Mouth on Subsidized Housing Purchase Decisions in Deli Serdang Regency

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Abstract

Introduction/Main Objectives: This study aims to analyze the influence of digital marketing, location, and electronic word of mouth (eWOM) on purchasing decisions for subsidized housing in Deli Serdang Regency.

Background Problems: Although subsidized housing plays an important role in providing affordable housing for low-income communities in Indonesia, consumer purchasing decisions are influenced not only by price and mortgage schemes but also by access to information, perceived location advantages, and recommendations from other consumers through digital media. A comprehensive understanding of how these factors collectively influence purchase decisions remains necessary.

Research Methods: This research employs a quantitative approach using multiple linear regression analysis. The population consists of consumers and potential buyers of subsidized housing in Deli Serdang Regency. A total of 51 respondents were selected using proportional random sampling. Data were collected through questionnaires distributed online using a Likert scale.

Finding/Results: Digital marketing, location, and electronic word of mouth have a positive and significant influence on purchasing decisions, both partially and simultaneously. Among the three variables, location has the most dominant influence on purchasing decisions.

Conclusion: These findings suggest that housing developers need to optimize digital marketing strategies, ensure strategic housing locations, and maintain positive online consumer reviews in order to increase consumer trust and purchasing decisions.

Keywords: digital marketing, location, electronic word of mouth, purchase decision, subsidized housing



Introduction

Housing is a fundamental human need that significantly contributes to quality of life, social stability, and economic productivity. In developing countries such as Indonesia, rapid population growth and urbanization have created a substantial housing backlog exceeding 12 million units, predominantly affecting low-income households. To address this challenge, the government has implemented various housing programs, with the Subsidized Housing Program through the Housing Financing Liquidity Facility (FLPP) being one of the most significant initiatives. This program provides low-interest mortgages, extended repayment periods, and affordable pricing to improve housing accessibility for low-income communities.

Despite the availability of subsidized housing programs through collaboration between the government, financial institutions, and private developers, not all housing projects successfully attract consumers. Intensifying competition among developers requires effective marketing strategies beyond traditional approaches. Today's consumers increasingly rely on digital platforms including social media, online property marketplaces, and housing websites to search for information, compare options, and evaluate housing projects before making purchasing decisions.

Digital marketing has therefore become essential in the property industry, enabling developers to provide comprehensive information, engage interactively with potential buyers, and build trust through informative content and responsive communication. However, beyond digital marketing, housing location remains critical in purchase decisions, as it determines accessibility to workplaces, educational institutions, healthcare facilities, and public services. For subsidized housing projects often developed in suburban areas, location evaluation becomes particularly crucial. Additionally, electronic word of mouth (e-WOM) has gained increasing influence, as consumers rely on online reviews, testimonials, and recommendations from previous buyers to assess project credibility and reduce perceived risks.

Deli Serdang Regency, as an urban buffer zone for Medan City in North Sumatra, has experienced significant residential development with increasing competition among housing developers. Based on these conditions, this study aims to analyze the influence of digital marketing, location, and electronic word of mouth on purchasing decisions for subsidized housing in Deli Serdang Regency.

Research Methods

This study employs a quantitative research approach using a survey method. The research was conducted in Deli Serdang Regency, North Sumatra Province, which is one of the regions experiencing rapid residential development due to its proximity to Medan City.

The population of this study consists of consumers and prospective buyers of subsidized housing in Deli Serdang Regency. Based on the research data, the total population consists of 105 individuals who have either purchased or shown interest in purchasing subsidized housing in the region.

The sampling technique used in this study is proportional random sampling. From the total population, 51 respondents were selected as research samples. This sampling method ensures that each member of the population has an equal opportunity to be selected as a research respondent.

Data were collected through questionnaires distributed to respondents. The questionnaire was designed using a Likert scale measurement ranging from strongly disagree to strongly agree. The questionnaire consists of several statements representing the variables examined in this

study. The variables examined in this research include, Digital Marketing (X1), Location (X2), Electronic Word of Mouth (X3) and Purchase Decision (Y)

Table 1. Data Characteristics of Respondents

Number	Respondent Category	Information
1	Total Respondents	51 respondents
2	Research Location	Deli Serdang Regency
3	Research Object	Consumers and potential buyers of subsidized housing
4	Sampling Technique	Proportional Random Sampling
5	Data Collection Method	Questionnaire (Likert Scale)

Source: Research Data Processed, 2025

Digital marketing refers to the marketing activities conducted by housing developers through digital platforms to promote housing projects and provide information to potential buyers. Location refers to the strategic position of housing projects in relation to accessibility, transportation networks, and surrounding facilities. Electronic word of mouth refers to the information shared among consumers through digital platforms regarding their experiences with housing projects. Purchase decision refers to the consumer decision-making process that leads to the purchase of subsidized housing.

Data analysis in this study was conducted using multiple linear regression analysis. This statistical method is used to examine the influence of independent variables on the dependent variable.

The regression model used in this study is formulated as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

Where:

Y=Purchase Decision α = Constant

β = Regression Coefficient

X1 = Digital Marketing

X2 = Location

X3 = Electronic Word of Mouth e = Error Term

Result

The results of the statistical analysis indicate that digital marketing, location, and electronic word of mouth have positive and significant effects on the purchase decision of subsidized housing in Deli Serdang Regency.

The regression analysis shows that the digital marketing variable has a significant influence on consumer purchasing decisions. This finding indicates that the availability of digital information regarding housing projects plays an important role in shaping consumer perceptions. Consumers who obtain clear and detailed information through digital platforms are more likely to develop trust toward the housing developer and the housing project.

The location variable shows the most dominant influence on purchasing decisions. This result indicates that consumers prioritize housing that provides convenient access to workplaces,

transportation networks, and public facilities. Accessibility and environmental conditions are important considerations because housing represents a long-term investment for consumers.

Electronic word of mouth also shows a significant influence on purchasing decisions. Consumers often rely on experiences shared by previous buyers or existing residents when evaluating housing projects. Positive reviews and testimonials strengthen consumer confidence and reduce perceived risks associated with purchasing housing units.

Simultaneously, the three independent variables significantly influence purchasing decisions for subsidized housing. This indicates that consumer decision-making in the housing sector is influenced by a combination of informational, locational, and social factors.

Discussion

Housing is a fundamental human need that contributes significantly to welfare, social stability, and economic productivity. In Indonesia, rapid population growth and urbanization have created a substantial housing backlog exceeding 12 million units, particularly affecting low-income communities. To address this, the government implemented the Subsidized Housing Program through the Housing Financing Liquidity Facility (FLPP), providing affordable mortgages and housing options for eligible households.

However, housing availability alone does not guarantee purchase decisions. In the housing market, consumer decisions are shaped by multiple factors. Economic considerations include price, income, and mortgage affordability, while non-economic factors encompass location, environmental conditions, accessibility to facilities, and information availability.

Technological developments have transformed consumer behavior in housing searches. The widespread use of the internet and social media has made information more accessible, with potential buyers increasingly relying on digital platforms to explore and evaluate housing options before site visits. Consequently, digital marketing has become essential in the property industry, enabling developers to present detailed information interactively and build consumer trust through informative content and responsive communication.

Location remains one of the most critical factors influencing housing purchase decisions. Accessibility to workplaces, educational institutions, healthcare facilities, and transportation infrastructure significantly affects consumer preferences, as convenient access reduces commuting time and costs. For subsidized housing often developed in suburban areas, location becomes even more crucial as consumers carefully evaluate accessibility and surrounding infrastructure.

Electronic word of mouth (e-WOM) has emerged as an increasingly influential factor in the digital era. Consumers rely on online reviews, testimonials, and experiences shared by previous buyers to assess project credibility and reduce perceived risks. Positive e-WOM strengthens consumer trust, while negative reviews regarding construction quality, delayed completion, or inadequate facilities can discourage potential purchases.

Deli Serdang Regency, as a buffer zone for Medan City, has experienced rapid residential development with both commercial and subsidized housing projects. Intensifying competition among developers makes marketing strategies and project attractiveness increasingly important. Based on these conditions, this study examines the influence of digital marketing, location, and electronic word of mouth on subsidized housing purchase decisions in Deli Serdang Regency.

Conclusion

Digital marketing, location, and electronic word of mouth have been proven to have a positive and significant influence on purchasing decisions for subsidized housing in Deli Serdang Regency. Location is identified as the most dominant factor influencing purchasing decisions, followed by digital marketing and electronic word of mouth.

Therefore, housing developers are encouraged to strengthen their digital marketing strategies, select strategic housing locations, and maintain a positive reputation through consumer reviews and testimonials.

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