

CHAPTER II

THEORETICAL FOUNDATION

2.1 Normal House

A house is a building that serves as living quarters or shelter for one or a few families (Merriam Webster, 2011). A house has an ability to protect the people who stay inside of it. House may also express the characteristics of the owner. The size, type, and location of the house may determine how wealthy the owner is. People can design their own house based on what and how they want it to be (Serpong Natura City, 2015). There are some house design types that are offered for people; mansion house, luxury house, modern house, medium-sized house, environmental friendly house, minimalist house, simple house, small cute house, micro house, bungalow, and mobile house (Serpong Natura City, 2015). Mansion house is a luxurious detached house which is built larger and has more complete facilities inside it, a lot of bedrooms provided, broader space of parking lots, broader garden (Serpong Natura City, 2015). There are also fitness facility, swimming pool, prayer room, and other rooms with bigger space and roomy (Serpong Natura City, 2015). Luxury house is similar with mansion house, beside its size is smaller than mansion house (Serpong Natura City, 2015). With a complete facility similar to mansion house, the main differences are the size and location which are more ergonomic and maximum (Serpong Natura City, 2015). Middle-sized house is the usual type house that is built for many of the well-established family in Indonesia (Serpong Natura City, 2015). The design and

function are really being optimized so that all family members can enjoy every corner of the house (Serpong Natura City, 2015). Environmental-friendly house refers to a house which uses nature technology such as solar energy, natural air-conditioner, nature stone decoration, and other nature elements which is environmentally friendly (Serpong Natura City, 2015). A minimalist house refers to the practicality, multi function, the genius utilization of the land and materials which can show the minimalist side of a house but still attractive. A simple house is a house which utilizes all the aspects in a right level, not too much with a wise budget (Serpong Natura City, 2015). Micro house is a house that fulfills all the requirements of habitation in a very compact space, such as sleeping, cooking, and bathroom (Real Estate Indonesia, 2011).

Beside the design of the house that makes the price of a house different with each other, location and the price are the two factors that people usually consider in purchasing a house. This fact is also stated by PT. Serpong Karya Cemerlang that the strategic location really plays a role in people's purchasing behavior. House located in strategic location is the most searched by people (Real Estate Indonesia, 2011).

2.2 Belief, Attitude, and Behavior

Beliefs can be defined as subjective judgments about the relationship between two or more things. Beliefs are based on knowledge. What people have learned about a product determines what people believe about the product. Understanding a product's image requires understanding consumers' beliefs about

the product. According to multi-attribute attitude models, beliefs about a product's attributes and characteristics are important because they determine the favourability of one's attitude towards the product. (Blackwell, D'Souza, Taghian, Miniard, & Engel, 2006)

Attention occurs when the stimulus activates one or more sensory receptor nerves, and the resulting sensations go to the brain for processing. Attention requires consumers to allocate limited mental resources toward the processing of incoming stimuli. The marketing environment is highly cluttered and consumers are constantly bombarded by thousands of times more stimuli than they can process. Therefore, the consumer attention is selective. (Hawkins, Mothersbaugh, & Best, 2007)

Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. The view of consumer behavior is broader than the traditional one, which focused more narrowly on the buyer and immediate antecedents and consequences of purchasing process. Knowledge of consumer behavior is critical for influencing not only product purchase decisions but people's decisions about which options should be chosen. Marketing practices designed to influence consumer behavior involve ethical issues that affect the firm, the individual, and society. All marketing decisions and regulations are based on assumptions and knowledge about consumer behavior. (Hawkins, Mothersbaugh, & Best, 2007)

2.3 Superstitious Belief

Superstitious belief, commonly refers to superstition, is a belief that people own resulting from ignorance, fear of the unknown, trust in magic or chance, or a false conception of causation. (Merriam Webster, 2011).

Superstitions are beliefs that are inconsistent with the known laws of nature or with what is generally considered rational in a society (American Heritage Dictionary, 1985). Belief in superstition has been occurred thousands of years before and is continuing until now (Jahoda, 1969; Vyse, 1997). Superstitions usually are related to good and bad luck that people will receive in believing it and acting it out.

Superstition can be found everywhere in this world, however superstitious beliefs are most often culturally specific (Block & Kramer, 2011). For example, for Chinese people, red color can bring them a good luck and black color can bring them a bad luck. For Chinese people number 8 is associated with prosperity and good luck (Lip, 2002) however number 4 for them can bring a bad luck as it pronounces like 'dead' in their language and for American number 13 is associated with a bad luck especially if it is Friday the 13th.

Even though many superstitions are culturally shared and socially transmitted from generation to generation, others consist of relatively more idiosyncratic beliefs or rituals (Block & Kramer, 2011). For example, students can often be seen bringing lucky charms or lucky pens to an exam; an athlete may not change during a tournament; and a job applicant may wear a lucky outfit for a job

interview (Block & Kramer 2011). Each of these superstitions and behaviors lead to positive outcomes, therefore people are expected to do well on specific tasks.

Case et al. (2004) conducted a series of studies investigating the relationship between the use of superstitious strategies and perceived control. The consistent finding across these studies was that as the likelihood of failure increased, so did the use of superstitious beliefs. Case et al. determined that the more salient the failure is, the more people use superstitious strategies to explain the failed outcome (Block & Kramer, 2011).

The original research conducted by Thomas Kramer and Lauren Block started with a focus on the use of superstitious explanations for non-personal or inanimate object failure, such as product failures. Given the importance placed on rationality and associated norms against relying on superstition in many modern society (Vyse, 1997), the degree to which the effects of superstition operate non-consciously in an interesting open question (Block & Kramer, 2011). According to Ang (2007), despite the prevalence of superstitious beliefs, systematic study of such effects on managerial and consumer decision- making is just beginning to enter the marketing literature. For example, Chinese consumers prefer numbered brand name, which contains lucky numbers and letters (A8) rather than those containing unlucky letters and numbers (F4). Unlucky number 4 was underrepresented and lucky number 8 was overrepresented was showed in a content analysis of Chinese advertising advertised in China, Hong Kong, and Taiwan (Simmons and Schindler, 2003).

In this research paper, the author takes superstitious belief in purchasing property as a research material. One of the examples is the tusuk sate house. Tusuk sate house is a house that is located right in front of a road. The superstition about tusuk sate house has been believed long time ago and this belief is being passed along from a generation to another generation until now. It is believed that this superstition comes from Chinese tradition called 'Feng Shui', and then some tribes in Indonesia also believe in the same superstition, such as Javanese and Sundanese. They believe that tusuk sate house can give a bad luck to the owner of the house because all negative things come from outside the house (Budaya Tionghoa, 2011). There are some different views about tusuk sate house among the three tribes. The Javanese believes that if a couple live in a tusuk sate house, their life will not be harmony (Indo Spiritual, 2011). For Sundanese, tusuk sate house becomes a bad choice as the location of the house may invite winds from any direction which can make people in the house quickly get sick (Indo Spiritual, 2011). In Chinese, it is dangerous to stay in a tusuk sate house because they believe that the location of the house is directly facing the road, then other people who passed by with a speedy car or motorcycle can hit the house if they do not carefully drive their vehicle (Budaya Tionghoa, 2011). Similar to the Sundanese, in Chinese, they said that a lot of dust could get in to the house and the family members inside the house can easily get sick (Budaya Tionghoa, 2011). In Chinese, the superstition about this belief is called 'feng shui' (Rumah Hoki, 2014). *Feng shui* is a word coming from Chinese which means wind and water. It is a scientific word which studies about the life balancing and harmony between

human being and nature (Rumah Hoki, 2014). According to Rumah Hoki, there are eight energies of *feng shui* that is still applicable from ancient time up until now which are do not live near graveyard or cemetery, do not live near animal slaughter house, do not live near prostitution location, do not live near gambling house, do not live near hospital, house should get enough sunshine so that the house is full of energy, do not live near highway and train railway, and do not live in a tusuk sate house.

2.4 Marketing Strategy

2.4.1 Product

Product is a good or service that most closely meets the requirements of a particular market and yields enough profit to justify its continued existence. As long as cars are manufactured, companies such as Michelin that produce tires fill the market need and continue to be profitable (Business Dictionary, 2011). When marketers talk about “the product”, they focus on the bundle of benefits that product offers to the target market – because that is what the customer cares (Nedland, 2010).

According to Stefanus, the representative from developer, real estate product is built based on the type and class of consumers. He said that for the type of lower-middle class consumers in general they are not too concerned about the style and shape of the building, because of the affordable prices so the main consideration. But they still consider the plan and layout of the home or property

being sold, as well as the quality of workmanship just not as detailed as the type of consumer from the upper middle class.

In the other hand, for the type of upper middle class consumers, in general, will pay close attention to spatial design and style or design style of the property being sold, plus the location factor. Quality of workmanship of the properties sold also become a major concern because they do not want after purchasing and product losses handover should renovate repeated because good workmanship during the construction period. And they did not hesitate to be submitted a letter of complaint to the developer. The upper middle class consumers subdivided into two segments, namely those who love modern style (minimalist) and classic design style (Europe). For Serpong PT Karya Cemerlang is currently focusing on minimalist modern design with the main goal in the early stages of development is the consumer middle class, because it is quickly sold so as to accelerate the return of capital and profit targets that have been targeted.

According to Wong and Gideon, in *feng shui*, the shape of the building or the exterior of the building affects the strength of *qi* to enter into a building. If the building was built without the consideration of the rules of *feng shui*, the negative *qi* will go into the building and its occupants get misfortune, loss in business, and even death (mortality).

2.4.2 Price

Price is the sum of money which a person should sacrifice in order to exchange with goods or services (Business Dictionary, 2011). It is one of the exchange tools that people use to purchase goods and service (Dempsey, 1935).

Products are usually sold at different prices depend on what the value that is offered to the buyer (Entrepreneur Encyclopedia, 2011). If the value of the product is higher, the price of the product will be higher too. Based on the law of demand, price will be decreased when the demand is increasing, on the other side price will be getting higher when the demand is decreasing (Taussig, 2011). In contrast with the law of demand, according to the law of supply, the price is lower when the demand is decreasing and the price will be higher if the demand is getting higher (Taussig, 2011). In this research, law of supply is much more applicable. The author wants to analyze the impact of marketing strategy that influences the purchase intention of house contains superstitious beliefs. Mostly, people are not willing to purchase for example, tusuk sate house because they believe that if they stay in the tusuk sate house, their prosperity and luck will bounce back from them as the road that is facing directly toward the main gate signs the bad luck from outside can go easily into the house. Such superstitious belief is more likely hard to leave. People who own the belief will always consider each of their action; whatever they do and act, their mind will always relate it to the superstitious belief because conscious and unconsciously the belief has already been implemented.

Marketing strategy applied in this case is the advantage that the customer can get more to the price offered by the property or Real Estate Company. The author wants to investigate even though houses that has its negative superstitious belief for people, if there is economic benefits play in it, which is cheaper price,

whether or not people will still prefer houses that contains negative superstitious beliefs rather than the normal house with more expensive price.

House prices in Yogyakarta and its surrounding vary depends on the size and the land of the house. Location and price are the two factors that people usually consider before they purchase the property, especially house. This fact is also stated by PT. Serpong Karya Cemerlang that strategic location really plays a role in people's purchasing behavior. The price of the land is also depending on the location. This statement can be stated based on the below table.

Table 2.1: Land Price in Yogyakarta (per m2) – per September 2014

No.	Yogyakarta District	Location	Price (in Rupiah)	
1	Bantul	Bambanglipuro, Banguntapan, Bantul, Dlingo, Imogiri, Jetis, Kasihan, Kretek, Pajangan, Pandak, Piyungan, Pleret, Pundong, Sanden, Sedayu, Sewon, Srandakan	500,000 10,000,000	–
2	Sleman	Berbah, Cangkringan, Depok, Gamping, Godean, Kalasan, Minggir, Mlati, Moyudan, Ngaglik, Ngemplak, Pakem, Prambanan, Seyegan, Sleman, Tempel, Turi	250,000 23,000,000	–
3	Yogyakarta	Danurejan, Gedongtengen, Gondokusuman, Gondomanan, Jetis, Kotagede, Kraton, Mantrijeron, Mergangsan, Ngampilan, Pakualaman, Tegalrejo, Umbulharjo, Wirobrajan	900,000 22,000,000	–
4	Kulon Progo	Galur, Girimulyo, Kalibawang, Kokap, Lendah, Nanggulan, Panjatan, Pengasih, Samigaluh, Sentolo, Temon, Wates	300,000 – 1,700,000	
5	Gunung Kidul	Gedangsari, Girisubo, Karangmojo, Ngawen, Nglipar, Paliyan, Panggang, Patuk, Playen, Ponjong, Purwosari, Rongkop, Saptosari, Semanu, Semin, Tanjungsari, Tepus, Wonosari	165,000 – 300,000	

Source: rumah123.com

2.4.3 Promotion

Promotion is the advancement of a product, idea, or point of view through publicity and/or advertising (Business Dictionary, 2011). Promotion is closely related to consumers who see the building for the first time or have an information about the houses that are been sold whether from person to person or from media such as internet.

According to Real Estate Photography, *promotion & emotion*, in real estate, just like life, first impressions can make all the difference. Buying a house is an emotional experience. No matter how practical a house is people would not buy it if it does not feel right.

This fact is also stated by Bram, representative from real estate buyer, he said that an attractive photograph of the house sold is one of the factors in his buying decision.

In Wong and Gideon previous study of superstitious belief in housing of Indonesian people, they stated that people in Indonesia believe more in *feng shui* than the people from China mainland. This means that not only Chinese people that take *feng shui* into account, *feng shui* belief that was initially considered to be "myth and culture" for the Indonesian Chinese community eventually spread to other races of Indonesian.

2.4.4 Place (Location)

According to "Rumah Hoki" (2014), the location of the building is where the building will be placed. Location of residential buildings according to architectural theory must consider several factors. These factors include the

cardinal directions (north, south, west, and east), the wind direction, the direction of view, the noise factor, achievement, garbage, parking, facilities area, and so on. However, for most Chinese people, the choice of location of the building, beside the consideration of architecture, additional consideration that refers to *feng shui* is also important.

One example of superstitious belief about property location that Indonesian people believe is tusuk sate location. Tusuk Sate Location should be avoided because there will be many problems that arise in the family who occupy the house at that location. The house at this location is believed to bring bad luck and people who live in it will get sick easily.

Besides that, Indonesian people likely to buy a property which is near to the houses of their relatives. This fact is supported by statements from interview with the buyer representative that is conducted by the author. Below is one of their statements:

“...kita cari yang bias berdekatan dengan keluarga gitu.”

2.5 Purchase Intention

Purchase intention is a plan to purchase a particular good or service in the future. Purchase intention represents “what we think we will buy” (Blackwell, Miniard, & Engel, 2001, p283; Park, 2002). Purchase intention can measure the possibility of a consumer to buy a product (Chi, Yeh, & Tsai, 2011). The higher the purchase intention is, the higher a consumer’s willingness is to buy a product (Dodds, et al., 1991; Schiffman & Kanuk, 2000). A consumer’s attitude and

assessment and external factors construct consumer purchase intention, and it is a critical factor to predict consumer behavior (Fishbein & Ajzen, 1975). Purchase intention indicates that consumers will follow their experience, preference, and external environment to collect information, evaluates alternatives, and make purchase decision (Zeithaml, 1988; Dodds et al., 1991; Schiffman & Kanuk, 2000; Yang, 2009).

Moreover, consumer purchase intention comes from consumers' perception on benefits and values acquisition, and it is an important key to predict consumer purchase behavior (Chi, Yeh, & Tsai, 2011). In this research, purchase intention comes from the superstitious belief that the customers owned with the marketing strategy that influences the customers' purchase intention. Superstitious belief has a robust influence on decision-making (Block & Kramer, 2011).