

# Determinant Factor of Millennials' Intention Toward Purchasing Homes

Rengga Eka Sarvian Mangun Redjo<sup>1</sup>, Maranatha Wijayaningtyas<sup>2</sup>, Tiong Iskandar<sup>3</sup>  
<sup>1,2,3</sup>Civil Engineering Program, National Institute of Technology, Malang, East Java, Indonesia-654145

**Abstract**— Housing developers who make millennials a target market need to know the factors that influence millennial generation purchasing intentions. Therefore this research was conducted, by taking research locations in Malang because it has a growing property business development. The aim is to find out the dominant factors that influence millennial purchase intentions in Malang. This research is a quantitative study using PLS model analysis and hypothesis testing. The research data were obtained from research samples using a questionnaire. Based on the investigation, it had found that the dominant factor influencing millennial purchase intention in Malang was the lifestyle. The lifestyle has a positive influence on the purchasing home intention of 0.64. Besides, hypothesis testing gets a result that attitudes, lifestyles, and behavioural control perceptions had a positive and significant effect on millennial purchase intentions in Malang. At the same time, relationship test results show that subjective norms have a positive but not significant impact on millennial purchase intentions in Malang.

**Keywords**— Intention, Lifestyle, Millennial, Home Purchasing, TPB.

## I. INTRODUCTION

The housing business is one business that is quite complex, so it requires a gradual process starting from the concept of the area to the right home sales strategy. Before making a house, the developer needs to determine the target consumers. Learning consumer is essential because the construction of houses that are not following the needs of consumers will harm home sales.

Current developments indicate that millennial generation or Generation Y is a group of consumers who have potential as a target market for housing developers. That group potentially is supported by Noh and Mosier, who explains that Generation Y is a group of consumers who have great potential for marketers, because they have intelligence in technology, quickly get information about a product, and dare to take risks [1].

According to Hasanuddin and Lilik, millennials were born between 1981 and 2000 [2]. Based on the research of the Youth Lab, which researched five major cities in Indonesia, namely Jakarta, Bandung, Makassar, Medan, and Malang, and found that the Millennial has a far more creative and informative character [2]. Compared to the previous generation, Millennials have the mindset of open-minded individuals, uphold freedom, critical, and brave [2]. By targeting the millennial generation, the developer must be aware of the factors that influence millennial generation purchase intentions.

Based on this explanation, the researcher intends to conduct research using planned behaviour theory that will analyse the influence of attitudes, subjective norms, lifestyle, and perception of behavioural control on millennial purchase intentions. The research location was chosen in Malang because it has a rapidly growing housing business growth. In this case, the researchers conducted a study entitled "Determinant Factor of Millennial Intention toward Purchasing Homes". The aim is to find out the dominant factors influencing millennial purchase intentions in Malang.

## II. LITERATURE REVIEW

### A. House

Housing is a collection of houses as part of settlements, both urban and rural, equipped with infrastructure, facilities and public utilities as a result of efforts to fulfil livable homes. In contrast, houses are buildings that function as habitable dwellings, facilities family development, a reflection of the dignity and dignity of its inhabitants, as well as assets for their owners [3].

### B. The Millennial Generation

Millennials are the demographic group after Generation X, known as Generation Y or Gen Y. According to Hasanuddin and Lilik, millennials are those born between 1981 and 2000 [2]. In comparison, Kotler and Armstrong explain that millennials are a group of populations born in 1978 - 2000 [4]. Compared to the previous generation, the millennial generation has the mindset of open-minded individuals, uphold freedom, critical, and brave [2]. Noh and Mosier explained that generation Y is a group of consumers who have great potential for marketers, because they have intelligence in technology, quickly obtain information about a product, and dare to take risks [1].

### C. Theory of Planned Behaviour (TPB)

Ajzen explains the theory of planned behaviour, namely the attitude towards a behaviour is an important subject that can predict an action. However, it is necessary to consider one's attitude in testing subjective norms and measuring the perceived behavioural control of the person in question. If there are positive attitudes, support from people around, and perceived ease because there are no barriers to behaviour, a person's intention to behave will be higher[5].

### D. Attitudes and Purchase Intention

David Kreh explains that attitude is evaluation, emotional feelings, and a tendency for actions that are beneficial or unfavourable and enduring for a person against particular

objects or ideas [6]. Refer to the previous studies; attitude has a positive effect on purchasing intention [7]. In this study, attitude defines as positive or negative feelings of millennial generation towards home purchase by considering location factors and building design factors. Thus, the hypothesis that must be proven is:

H1: The attitude has a positive and significant effect on the purchasing home intention a millennial generation in Malang.

#### E. Subjective Norm and Purchase Intention

Septifani explains that subjective norms are one's perceptions or views of the beliefs of others that will influence the intention to do or not perform the behaviour under consideration [8]. In previous studies, the results showed that subjective norms had a positive and significant effect on purchasing intention [7]. According to Kotler, consumer purchasing behaviour influencing with social factors consisting of reference groups, family, and role roles [9]. A reference group is a group composed of family, friends, neighbours, and coworkers. Based on this, in this study an analysis of the influence of subjective norms on intention in purchasing a home, with subjective norms as social influence in the form of a reference group's view of the purchase of millennial generation. Thus, the hypothesis that we want to prove is:

H2: Subjective norms have a positive and significant effect on the purchasing home intention a millennial generation in Malang.

#### F. Lifestyle and Purchase Intention

According to Mowen, lifestyle is a pattern of one's life behaviour, patterns in shopping, and allocating time [10]. Yohanes also believes that lifestyle affects one's behaviour which ultimately determines one's consumption patterns [11]. One of the main characteristics of the millennial generation increased interest in using social media and accustomed to applying media communications and digital technology [2]. The rapid development of technology is now straightforward to influence the millennial generation to consume and buy the desired product [12]. In previous studies, lifestyle has a significant influence on purchase intention [13]. Therefore, this study will analyse the effect of lifestyle on home purchase intentions. So the hypothesis used is:

H3: Lifestyle has a positive and significant impact on the purchasing home intention a millennial generation in Malang.

#### G. Perception of Behavioural Control and Purchase Intention

Bonne et al. describe the perception of behaviour control as someone's perception of the ability to control their behaviour [14]. Consumer behaviour will arise if someone's behaviour has a need or desire to get something [15]. The results of previous studies showed that the variable perception of behavioural control has a positive influence on consumer purchasing intention [14]. In this study, the understanding of behavioural control defining as the perception of millennial generation regarding the quality of buildings and house prices

on home purchases. Based on this, the hypothesis obtained in this study are:

H4: Perception of behavioural control has a positive and significant effect on the intention to buy a millennial generation home in Malang.

### III. RESEARCH METHODOLOGY

This research is a quantitative research that aims to prove the theory and research hypotheses based on the results of measurement data.

#### A. Population and Sample

In this study, the population was the number of residents of Malang City who had criteria for ages 25 to 40 years and had bought a house. Based on the data obtained, the total population is 266.862 people [16]. To determine the number of research samples used Slovin formula as in (1).

$$n = \frac{N}{1+Ne^2} \quad (1)$$

Information:

n = number of samples

N = total population

e = fault tolerance limit (10%)

From equation (1) we obtain 100 samples.

#### B. Data Collection

This research uses data collection techniques through literature studies and questionnaires. A literature study is a data collection technique that takes theoretical references and previous research data to support research. While an online survey is a technique of collecting questionnaire data through online media to obtain data directly from research samples.

#### C. Research Variable

Research variables are everything that is determined by a researcher to be studied to obtain information about it. The variables used in the study include:

##### 1. Attitude (X1)

Attitudes are positive or negative feelings of the millennial generation towards home purchases taking into account the location and building design factors. The indicators used in measuring attitude variables are as follows:

- a. House purchase with consideration of location close to educational facilities (X1.1).
- b. House purchase with consideration of location away from traffic jams (X1.2).
- c. House purchase with consideration of location has access to tourist attractions (X1.3).
- d. House purchase because of attractive home building design (X2.4).
- e. House purchases because of the type of house under the wishes (X1.5).
- f. House purchase with consideration of building area (X1.6).
- g. House purchase with consideration of the form of the house (X1.7).

##### 2. Subjective Norm (X2)

Subjective norms are social influences in the form of a reference group's view of millennial generation home purchases. Based on this definition, indicators used to explain subjective norms are as follows:

- a. House purchase because of parents' wishes (X2.1).
  - b. House purchase because of the sibling's advice (X2.2).
  - c. Purchase a house that suits your partner's taste (X2.3).
  - d. Purchase a house according to suggestions from coworkers (X2.4).
  - e. Purchase a house according to advice from friends (X2.5).
  - f. Purchase a house according to neighbour's advice (X2.6).
3. Lifestyle (X3)

A lifestyle is a form of millennial generation habits that like or like something. The indicators used are:

- a. Happy with practical and straightforward things (X3.1).
  - b. Likes to invite people home (X3.2).
  - c. Happy with new and modern things (X3.3).
4. Behavioural control perception (X4)

Behavioural control perception is the perception of millennial generation regarding the quality of buildings and house prices on home purchases. The indicators used are:

- a. Home purchase because of the understanding of the process of building a house (X4.1).
  - b. Home purchase due to home maintenance costs (X4.2).
  - c. Purchase at home because of the perceived quality of a comfortable home (X4.3).
  - d. Purchase at home because the price is following the funds (X4.4).
  - e. House purchase because the house instalments according to ability (X4.5).
5. Purchase Intention (Y1)

Purchase intention is the desire of the millennium to buy a home. The indicators used are:

- a. The desire to buy a minimalist home (Y1.1).
- b. The desire to buy a minimalist modern home (Y1.2).
- c. The desire to buy a luxury home (Y1.3).

#### D. Variable measurement Scale

This study uses a Likert scale as a measurement scale for variables that indicate the level of agreement on a statement. On a Likert range, the agreement level consists of 5 answer choices comprised of:

- a. Strongly agree receives a score of 5
- b. Agree gets a score of 4
- c. Quite agree gets a score of 3
- d. Disagree gets a score of 2
- e. Strongly disagree gets a score of 1

#### E. Instrument Feasibility Testing

In this study, the research instrument test consisted of

testing the validity and Cronbach's reliability tests. The validity testing provisions are that the instrument is declared valid if it has a coefficient of  $r_{count} > r_{table}$ . Whereas in reliability testing, the data announced reliable if the value of the Cronbach's Alpha coefficient  $> 0.6$ . In testing the validity and reliability of the instruments used formulas 2 and 3 [9].

$$r = \frac{n \cdot \sum XY - \sum X \cdot \sum Y}{\sqrt{[n \cdot \sum X^2 - (\sum X)^2] \cdot [n \cdot \sum Y^2 - (\sum Y)^2]}} \quad (2)$$

Information:

$r$  = correlation coefficient between items and questions

$n$  = number of respondents

$X$  = score of question items

$Y$  = total score

$$r_i = \left( \frac{k}{k-1} \right) \left( 1 - \frac{\sum S_i^2}{S_t^2} \right) \quad (3)$$

Information:

$r_i$  = Cronbach's Alpha coefficient

$k$  = number of instruments

$S_t^2$  = total variant

$\sum S_i^2$  = number of variant scores for each item

#### F. Data Analysis Using Partial Least Square (PLS) Method

The data analysis method used in this study is the PLS method with the help of the SEM-PLS program. The PLS method is a variant-based systemic equation analysis, which can simultaneously test measurement models and measure systemic or structural model [8]. In the study of PLS methods using the SEM-PLS program, the results of the analysis will show the coefficients  $\beta$ ,  $P$ , and  $R^2$ . Explanations for the coefficient values are as follows:

1. The coefficient value  $\beta$  indicates the amount of the influence given by the variable  $X$  on  $Y$ .
2.  $P$ -values use in hypothesis testing.
3. The value of  $R^2$  shows the ability of variable  $X$  in explaining variable  $Y$ .

#### G. Hypothesis Testing

Hypothesis testing aims to prove the research hypothesis can be accepted or rejected, based on the provisions of the  $P$ -value and significance of 0,05. In hypothesis testing, the hypothesis will recognise if the value of  $P < 0,05$ . Contrary, the hypothesis will be rejected if the value of  $P > 0,05$ .

#### H. Framework

The framework is a research model that discusses the relationships between variables based on theoretical studies in research. In this study, to test the relationship between variables used a framework like Figure 1.

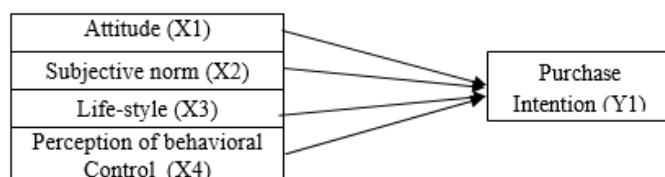


Figure 1. Framework

IV. RESULT AND DISCUSSION

A. Instrument Feasibility Test Results

In testing research instruments, validity and reliability test results are obtained as shown Table I and II.

TABLE I. Validity Test Results

Variable	Instrument	r-count	r-table	Result
X1	X1.1	0,481	0,361	Valid
	X1.2	0,310	0,361	Not Valid
	X1.3	0,419	0,361	Valid
	X1.4	0,711	0,361	Valid
	X1.5	0,669	0,361	Valid
	X1.6	0,713	0,361	Valid
	X1.7	0,647	0,361	Valid
X2	X2.1	0,497	0,361	Valid
	X2.2	0,570	0,361	Valid
	X2.3	0,695	0,361	Valid
	X2.4	0,809	0,361	Valid
	X2.5	0,718	0,361	Valid
	X2.6	0,495	0,361	Valid
X3	X3.1	0,809	0,361	Valid
	X3.2	0,908	0,361	Valid
	X3.3	0,947	0,361	Valid
X4	X4.1	0,761	0,361	Valid
	X4.2	0,769	0,361	Valid
	X4.3	0,874	0,361	Valid
	X4.4	0,841	0,361	Valid
	X4.5	0,829	0,361	Valid
Y1	Y1.1	0,880	0,361	Valid
	Y1.2	0,786	0,361	Valid
	Y1.3	0,902	0,361	Valid

Table I show that instrument X1.2 is invalid because it has r-count of under the r tables. Follow the provisions of the validity test to remove invalid indicators from the instrument.

TABLE II. Reliability Test Results

Variable	Cronbach's Alpha	N of items
Attitude (X1)	0,633	7
Subjective norm (X2)	0,663	6
Lifestyle (X3)	0,856	3
Behavioural Control perception (X4)	0,869	5
Intention purchasing (Y1)	0,814	3

Table II shows that the instrument is reliable as a whole so that the data reliable go to analyse.

B. Results of Partial Least Square Method Analysis

Based on the analysis of the PLS program, the results obtained are as shown in Figure 2.

Based on Figure 2, the lifestyle variable (X3) has the most significant coefficient, which is  $\beta = 0,64$ . The value shows that lifestyle variables are the dominant factor influencing the intention to buy a millennial generation home in Malang. The amount of  $\beta = 0,64$  explains that lifestyle has a positive influence of 0,64 on the intention to buy a millennial generation in Malang. In other words, that every increase in millennial purchase intention in Malang is influenced by lifestyle by 0,64.

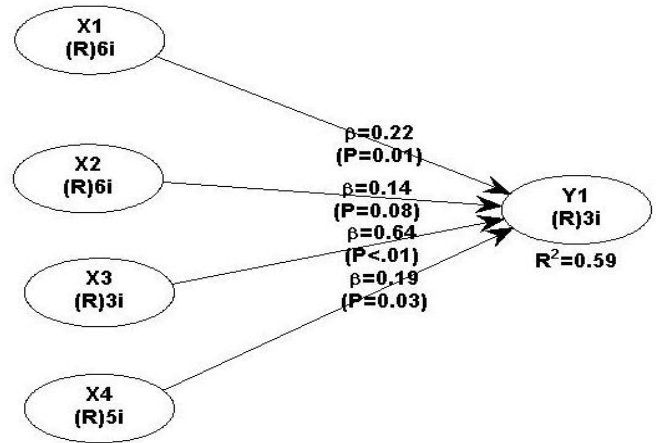


Figure 2. PLS Analysis Results

Coefficient value  $R^2 = 0.59$  on purchase intentions (Y1) is a value that explains that the attitude, subjective norms, lifestyle, and behavioural control variables are only able to explain purchase intentions by 59%, and other variables outside the research model influence the rest.

C. Hypothesis Testing Results

Based on Figure 2, partially known as the attitude variable (X1), lifestyle (X3), and perception of behavioural control (X4) have a P-value < 0,05. Based on these provisions, the value indicates that the hypothesis is accepted. Hence, attitudes, lifestyles, and perceptions of behavioural control have a positive and significant influence on the intention to buy a millennial generation home in Malang. The results of this study support the finding of previous research on attitudes that have a positive influence on purchasing intention [7], lifestyle has a significant influence on purchasing intention [13], and the perception variable of behavioural control has a positive impact on consumer purchases [14].

From Figure 2, the subjective norm (X2) has a value of  $P > 0.05$ , according to the provisions, then the hypothesis is rejected. These results prove that subjective norm (X2) has a positive but not significant effect on the intention to buy millennial generation in Malang. Based on the analysis, this study has different research results with the research of Binalay et al. [7], which found that subjective norms have a positive and significant influence on purchasing intention. This difference in results causing by differences in the mindsets of the millennial and previous generations. So, it creates the impact of different subjective norms.

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusions

Based on the results of the analysis and discussion, the outcomes are:

1. The dominant factor influencing the millennial home purchasing intention in Malang is a lifestyle.
2. The hypothesis proves that attitudes, lifestyles, and perceptions of behavioural control have positive and significant effects on the millennial home purchasing intention in Malang. At the same time, subjective norms have positive but not significant effects.

### B. Suggestions

The researcher's advice related to the results of the study is that housing developers build homes that fit into millennial lifestyles so that they can attract interest in purchasing millennials.

#### REFERENCES

- [1] Wijayaningtyas, M. (2017). Pengaruh Mediasi Sikap Generasi Y Terhadap Niat Beli Rumah Ramah Lingkungan (The Mediation Effect of Generation Y Attitude toward Eco-friendly Home Purchase Intention). *Jurnal Manajemen Dan Kearifan Lokal Indonesia*, 1(2), 71. <https://doi.org/10.26805/jmkli.v1i2.7>
- [2] Budiati, I., Susianto, Y., Adi, W. P., Ayuni, S., Reagan, H. A., Larasaty, P., Setiyawati, N., Pratiwi, A. I., & Saputri, V. G. (2018). *Profil Generasi Milenial Indonesia (Indonesian Millennial Generation Profile)*. [www.freepik.com](http://www.freepik.com)
- [3] Pemerintah Indonesia. (2011). *Undang-Undang Republik Indonesia Nomor 1 Tahun 2011 Tentang Perumahan Dan Kawasan Permukiman (Law Of The Republic Of Indonesia Number 1 Of 2011 Concerning Housing And Settlement Area)*.
- [4] Wijayaningtyas, M., & Nainggolan, T. H. (2020). The millennial generation purchase intention toward green residential building. *International Journal of Scientific and Technology Research*, 9(2), 2054–2059. <http://www.ijstr.org/final-print/feb2020/The-Millennial-Generation-Purchase-Intention-Toward-Green-Residential-Building.pdf>
- [5] Anggar Seni, N. N., & Dwi Ratnadi, N. M. (2017). Theory of Planned Behaviour Untuk Memprediksi Niat Berinvestasi (Theory of Planned Behaviour for Predicting Investment Intentions). *E-Jurnal Ekonomi Dan Bisnis Universitas Udayana*, 6(12), 4043–4068.
- [6] Nawawi, M. T. (2018). Analisis Faktor-Faktor Yang Mempengaruhi Keputusan Konsumen Dalam Pembelian Produk Makanan Dan Minuman Halal Di Jakarta (Analysis of Factors Affecting Consumer Decisions in Purchasing Halal Food and Beverage Products in Jakarta). *Jurnal Muara Ilmu Ekonomi Dan Bisnis*, 2(1), 72. <https://doi.org/10.24912/jmie.v2i1.1662>
- [7] Binalay, A. G., Mandey, S. L., & Mintardjo, C. M. O. (2016). Pengaruh Sikap, Norma Subjektif dan Motivasi terhadap Minat Beli Secara Online Pada Mahasiswa Fakultas Ekonomi dan Bisnis di Manado (The Effect of Attitude, Subjective Norms and Motivation on Online Purchasing Interests at the Faculty of Economics and Business Students in Manado). *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 4(1).
- [8] Aryadhe, T., Suryani, A., & Sudiksa, I. B. (2018). Pengaruh sikap dan norma subjektif terhadap niat beli dan keputusan pembelian (Effect of subjective attitudes and norms on purchase intentions and purchasing decisions). *E-Jurnal Manajemen Universitas Udayana*, 7(3).
- [9] Sutanto, H., Maranatha, W., & Wata, P. M. M. (2019). Decision to Purchase a House in Sikka Regency. *International Journal of Scientific Engineering and Science*, 3(9), 24–27. <https://doi.org/10.5281/zenodo.3483901>
- [10] Pangestu, S. D., & Suryoko, S. (2016). Pengaruh Gaya Hidup (Lifestyle) Dan Harga Terhadap Keputusan Pembelian (Studi Kasus Pada Pelanggan Peacockoffie Semarang) (Effect of Lifestyle and Prices on Purchasing Decisions (Case Study on Peacockoffie Customers in Semarang)). *Jurnal Ilmu Administrasi Bisnis*, 5(4), 519–530.
- [11] Aulia, R. (2018). Pengaruh Gaya Hidup Dan Ekuitas Merk Terhadap Minat Pembelian Ulang Pada Starbucks Coffee Bigmall Di Kota Samarinda (Effect of Lifestyle and Brand Equity on Repurchase Interest at Starbucks Coffee Bigmall in Samarinda City). *E-Jurnal Administrasi Bisnis*, 6(4), 1256–1269.
- [12] Wijayaningtyas, M., Handoko, F., & Hidayat, S. (2019). The millennials' perceived behavioural control on an eco-friendly house purchase intention. *Journal of Physics: Conference Series*, 1375(1), 12060.
- [13] Kamaluddin, K., & Muhajirin, M. (2018). Pengaruh Gaya Hidup Terhadap Minat Beli Konsumen Dalam Berbelanja Online (Studi Kasus Pada Mahasiswa STIE BIMA) (Lifestyle Influence Against Consumer Purchase Intention in Online Shopping (Case Study of STIE BIMA Students)). *Jurnal Akrab Juara*, 3(3), 113–122.
- [14] Listyoningrum, A., & Albari, A. (2012). Analisis Minat Beli Konsumen Muslim Terhadap Produk Yang Tidak Diperpanjang Sertifikat Halalnya (Analysis of Muslim Consumer Buy Intention in Non-Extended Halal Certificates). *Jurnal Ekonomi & Keuangan Islam*, 2(1), 40–51.
- [15] Khoirinnisa, E., Gumilar, I., & Nurhayati, A. (2016). Analisis Perilaku Konsumen Dalam Keputusan Pembelian Produk Kaki Naga (Analysis of Consumer Behaviour in Dragon Feet Product Purchasing Decisions). *Jurnal Perikanan Kelautan*, VII(1), 66–74.
- [16] Badan Pusat Statistik Kota Malang. (2020). *Jumlah Penduduk di Kota Malang Menurut Kecamatan dan Jenis Kelamin, 2011-2020 (Total Population in Malang City by Sub-district and Gender, 2011-2020)*. <https://malangkota.bps.go.id/dynamic/penduduk-di-kota-malang-menurut-kecamatan-dan-jenis-kelamin-2011-2020.html>