

# Factors Effecting Consumer Behavior of Buying a Single Housing Estate

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**Abstract**—The purpose of this study was to determine the factors effecting customer behavior of buying a single housing estate. Samples were 93 previous customers who bought their homes from The Extenso2 Land developer by using a check list and rating scale questionnaire. The statistics used for data analysis were percentage, mean, and standard deviation. Statistical hypothesis testing were Chi Square and multiple regression analysis. The findings indicated that most of respondents were females, age between 26-30 years old, marriage status, work for private corporations, bachelor degree graduated, average income between 30,000-40,000 baht, more than 4 persons of family members, received information from the bill board, considered location estate area, family influenced in buying decision, service after sale, and prices 3.29 million baht. The average picture of the opinions on marketing mix factors of customer behavior in buying a single housing estate were at medium level with following reasons, such as price, location, product, and sale promotion. The hypothesis testing revealed that the personal different of occupation, education, and income effected the factors of customer behavior in buying a single housing estate at statistical significant 0.05 level. Marketing mix factors, such as product designed, price, modest leasing policy, sale promotion were related to factors of customer behavior of buying a single housing estate at statistical significant 0.05 level. Recommendations from this study were that housing estate developers could improve on sale promotion, appropriate housing price, product material quality, unique design which was different from other estate in order to attract consumers into buying decision.

## I. BACKGROUND AND SIGNIFICANCE OF THE STUDY

Housing business could be mentioned as one of highly competitive real estate businesses. Today we can see lots of projects coming up. However, domestic economic slowdown has negative effects on consumers' confidence and also financial institutions become stricter in approving loans because of large amount of bad debts they have been facing. Consumers, therefore, take longer time to make house buying decision while many of them hold their purchase causing a decrease in sales of houses. It is commonly known that housing is one of life necessities. Life style of Thai people now is different from the past. Nowadays, people tend to live with their spouse and kids rather than living together as a big family. Purchasing decision for house is influenced by many factors other than economic factors such as marketing factors and consumer behavior including location, price, design, social status, recognition, and credibility of sellers. Housing businesses have to be aware of these factors and marketing research & analysis are necessary for improvement of business strategy to cope with market and economic condition which will be facing even higher competition in the future.

From the above reasons, the author became curious to know consumer purchasing behavior for house as well as to evaluate factors that have influences on their purchasing

decision. Results of the study shall be useful in forming sales plan for single house in Nongchok area, Bangkok Thailand in 'The Extenso2' project.

## II. MARKETING MIX CONCEPT AND THEORY

Kotler Philip (2003:24) asserted that marketing mix means controllable marketing tools which are used in combination by entrepreneurs to respond to targeted customers' needs and to achieve customers' satisfaction. Marketing mix includes everything that entrepreneurs use to persuade customers and generate the needs for their products/services. Marketing mix consists of 4 elements known as 4P's: Product, Price, Place, and Promotion.

### Objectives of the Study

1. To study buying behavior for single house.
2. To evaluate factors those have influences on buying behavior for single house.

### Conceptual Framework

The author applied marketing mix theory and consumer behavior theory together to form conceptual framework below for the study of factors influencing buying behavior for single house.

Personal Data	Marketing Mix Theory
1. Gender	- Product
2. Age	- Price
3. Status	- Place
4. Occupation	- Promotion
5. Education	
6. Income	
7. Number of Family Members	

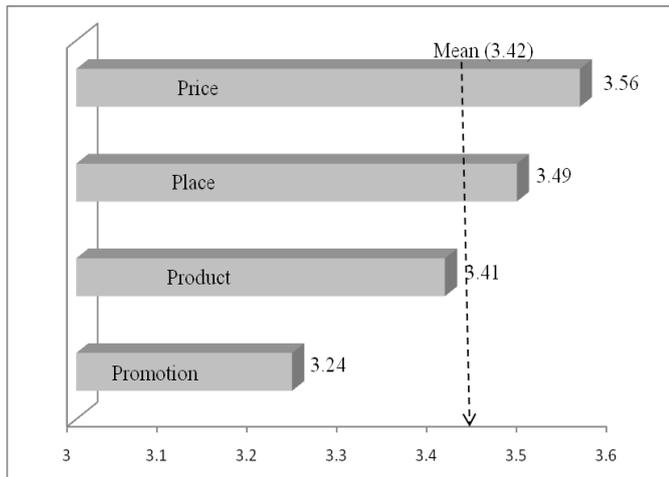
## III. POPULATION AND SAMPLES OF THE RESEARCH

Population for this study is 120 customers who chose to buy the houses in 'Extenso2' project, Nongchok- Bangkok and those who already transferred the houses in their names and now living in the houses. 93 samples were drawn from such population groups.

## IV. DATA COLLECTION

To collect the data, the author handed out 120 sets of questionnaires to customers who chose to buy the houses in 'Extenso2' project and those who already transferred the houses in their names and now living in the houses. 93 questionnaires were returned which can be counted as 95% and the returned questionnaires were inspected for completeness of data before proceeding to analysis.

Analysis results of marketing factors evaluation is shown below.



The study found medium level of overall means of marketing mix factors' influences on buying decision for single houses. When considering in details, it showed the results that customers of 'The Extensio2' project Nongchok gave high level of importance to price (Mean=3.44), medium level of importance to 3 items i.e. place (Mean=3.49), product (Mean=3.41), and promotion (Mean=3.24) respectively.

Table I. Shows comparison of difference in occupation and its influence on the buying decision.

Occupation		
Consumers; buying behavior	Pearson Chi Square	Sig
Type of media for information about single house	15.307	0.759
Buying decision for single house	11.013	0.528
Influencing person in the purchase of single house	25.892	0.050*
Satisfaction in promotional activities for single house	17.823	0.121
Price of single house that customer chose	13.915	0.605

\*Sig<0.05

Results of analysis regarding influence of occupation on buying behavior for single house indicated that difference in occupation has influence on the buying decision in the aspect of influencing person in the purchase of single house (Sig.=0.050) at the significance level of 0.05. However, regarding the aspects of type of media for information about single house, buying decision for single house, satisfaction in promotional activities for single house, and price of single house that customer chose have Sig. value higher than 0.05 which means that they do not have influence at a significance level of 0.05.

Table II. Shows comparison of difference in education and its influence on the buying decision.

Education Level		
Consumers; buying behavior	Pearson Chi Square	Sig
Type of media for information about single house	9.542	0.482
Buying decision for single house	15.300	0.018*
Influencing person in the purchase of single house	9.174	0.328
Satisfaction in promotional activities for single house	11.562	0.050*
Price of single house that customer chose	11.680	0.166

\*Sig<0.05

Results of analysis regarding influence of education on buying behavior for single house indicated that difference in education has influence on the buying decision in the aspect of buying decision for single house and satisfaction in promotional activities for single house (Sig=0.018 0.050) at the significance level of 0.05. However, regarding the aspects of type of media for information about single house, influencing person in the purchase of single house, and price of single house that customer chose have Sig. value higher than 0.05 which means that they do not have influence at a significance level of 0.05.

Table III. Shows comparison of difference in income and its influence on the buying decision.

Income		
Consumers; buying behavior	Pearson Chi Square	Sig
Type of media for information about single house	16.360	0.359
Buying decision for single house	14.069	0.120
Influencing person in the purchase of single house	16.062	0.188
Satisfaction in promotional activities for single house	15.317	0.050*
Price of single house that customer chose	14.978	0.243

\*Sig<0.05

Results of analysis regarding influence of income on buying behavior for single house indicated that difference in income has influence on the buying decision in the aspect of satisfaction in promotional activities for single house (Sig=0.05) at the significance level of 0.05. However, regarding the aspects of type of media for information about single house, influencing person in the purchase of single house, and price of single house that customer chose have Sig. value higher than 0.05 which means that they do not have influence at a significance level of 0.05.

### V. CONCLUSIONS OF FINDINGS

The findings indicated that most of respondents were females (57%), age between 26-30 years old (33.3%), married (76.3%), work for private corporations (44.1%), bachelor degree graduated (69.9%), earning average income between 30,000-40,000 baht (34.4%), more than 4 persons of family members (30.1%)

Regarding buying behavior for single house, 64 samples (68.8%) received information from the bill board, 33 samples (35.5%) considered location estate area, 76 samples (81.7%) answered that their family has influence in buying decision, 43 samples (46.2%) care about after sale service, and 63 samples (67.7%) chose price of the houses at 3.29 million baht.

### VI. CONCLUSION ON MARKETING FACTORS' INFLUENCES ON BUYING DECISION FOR SINGLE HOUSES

Result of marketing mix evaluation showed that overall significance of marketing mix factors' influences on buying decision for single houses is in medium level. Samples paid high level of attention to prices. Place, product, and promotion are in medium level of attention respectively.

For product, the study found that overall influence of product on buying decision is in medium level. Samples gave high level of importance in 4 items including modern design,

beautiful design deserved to be introduced to other people, unique & interesting design, and quality standard of the houses. Two items are in medium level including reputation of the brand and variety of design as choices for buyers.

*For price*, the study found that overall influence of price on buying decision is in high level. Samples gave high level of importance in 3 items including price is not high comparing to competitors, reasonable price with the quality, and comfortable terms of payment. One item is in medium level which is various price levels available as choices for buyers.

*For place*, the study found that overall influence of price on buying decision is in medium level. Samples gave high level of importance in sufficiency of reception spaces for customers. Two items are in medium level including the location can be accessed conveniently, and exhibition in different places respectively.

*For promotion*, the study found that overall influence of promotion on buying decision is in medium level. Samples gave medium level of importance in 4 items including promotions & special discounts, set up structure of promotion that has participation from customers, organize events, and advertisement via internet media respectively.

#### VII. SUGGESTION FOR FURTHER RESEARCH

1. In this study on influencing factors on buying behavior for single houses, the researcher conducted quantitative research. Data was collected by questionnaires and then analyzed. Therefore, analysis results is only assessed by the width but not in-depth. Further research should be conducted qualitatively for deeper results.

2. For this study the researcher chose specific group of population. If further study is to be conducted, population should be different group and there should be comparison between analysis results for better use of the findings.

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