

# CONSUMER SATISFACTION TOWARDS THE HOUSING COMMUNITIES

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## ABSTRACT

When observed the trending news about the real estate in Hyderabad city, the growth in capital values of residential properties remained positive over the last six years despite weak investor sentiments, political instability and Telangana state agitation. Analysing the customer satisfaction is one of the important activities based on which successful marketing strategies can be formulated, as these will help a construction company to face the tough competition posed by the Market. The present paper mainly focus on the understanding the factors that govern the purchase decision of a house in community and on determining the consumers satisfaction, while focussing the issues faced by the households. A convenient sample of 120 households are considered for the study. Descriptive statistical analysis of the study found the interesting facts about the buying behaviour of the consumer, based on which the, concerned companies can formulate best strategies to attract and retain consumers, so as to sustain in competitive real estate industry.

**Key Words: Residential properties, Marketing strategies, Consumer satisfaction.**

## 1. INTRODUCTION:

Consumer Behaviour or the purchasing Behaviour is referred to the behaviour that is displayed by the individual while they are purchasing, consuming or disposing any particular product or services. The customers while buying a product goes through many steps. The study of consumer behaviour helps to understand how the purchasing decision is made and how they look for a product. Moreover, the understanding consumer purchasing behaviour also helps marketers to

know the what, where, when, how and why of the consumption of product. So the present study focused on the factors evaluated by the households when making a purchase decision regarding a house in a community and also the facilities for which they are satisfied.

## **2. PURPOSE OF THE STUDY:**

As consumers are the most important person for business or marketers it is important for them to consider the likes and dislikes the consumers so that they can provide them with the goods and services accordingly. The purpose for the study is to know how the consumers make decisions before, during and after the purchasing of apartments.

## **3. REVIEW OF LITERATURE:**

The study involves consumer behavior in real estate sector in Pune region. The Builders and Real Estate companies should make use of the Internet to reach the customers and advertise their products. They should tie up with Public sector banks which are preferred by customers. They should also focus on amenities desired by customers and offer these to the customers. Prof. Kavita Kamath, Dr. Madhura Jagtap (2018). The Consumer buying behaviour in real estate industry states that Maximum number of respondents stays on rental basis and less on ownership basis. Consumers mostly consider price and location while purchasing the property. Brand name, facilities and quality of the construction are the main parameters consumers consider while selecting the residential properties. Vibhor Jain (2017).

The changing buying behaviour of Indian customers based on perceptions, buying behaviour and satisfaction of the consumers in Indian market. The Indian consumers are noted for the high degree of value orientation and also associated with values of nurturing, care, and affection. Subrato Dey (2017). Customer intention towards purchasing apartment in Dhaka city build customer relation based on brand equity and customer loyalty and beneficial for strategies and future studies on customers' attitude and buying intention in apartment buying behaviour. Dr. Mostafa Kamal, Shah Alam Kabir Pramanik, (2016).

The main factors of this study is purchasing residential property depend upon quality and name of developer for this company should have strong goodwill in market , Abdulhamid Shebob, Raj Shah, and Amit Mhalas (2013). The Consumer intention towards purchasing apartments is based on the findings of the study, suggestions were made to build customer based brand equity and consumer loyalty especially in real estate industry. Dr. Mostafa Kamal (2015).

An empirical analysis is conducted to explore customer satisfaction in construction as perceived by two customer groups: public and private customers. Results indicate that the need for contractors to improve performance related mostly to quality assurance, handover procedures and material. Public customers were found to be less satisfied with the contractor's performance than private customers, Kärnä, S. (2014). Financial factors are given the highest consideration while evaluating the alternatives by the residential property buyers. The variables could be grouped into six factors. P. Manivannan, Dr. M. Somasundaram (2014).

There is association between services delivery dimensions and customer satisfaction. Moreover the relationship among customer satisfaction, word of mouth communication and customer loyalty also exist. The factors like, customer satisfaction, word of mouth communication and customers' loyalty act as crucial elements for purchasing an apartment. Preko, et al., (2014).

Buyer behavior in purchasing residential flats in Chennai city focuses on rising income level, changing life styles, increasing demand for housing units and fast changing rural housing landscape. With the entry of corporate houses like DLF, Parsvnath, Omaxe and easy finance options from financial institutions and government support, the housing industry in India has rapidly grown over the past few years. Dr. A. Mohamed Sali [2013]

Health consciousness refers to the degree to which health concerns are integrated into a person's daily activities. Study conducted by Mohamed et al. (2012), on the consumer attitude towards organic Food, in Bangalore and Chennai, revealed that Health conscious

lifestyle is the foremost motivating factor for purchasing organic food. Organic food attitudes are mainly influenced by gender, age, income, level of education and the presence of children in the household ( Magnusson et al., 2001; Wier et al., 2003).

A recent study by the present authors, Nasar K. K & Manoj P K (2013) .has analyzed the behavior of real estate investors in making investment decisions, like the various personal and behavioral factors influencing their purchase decisions. In another recent study the present authors Nasar K K & Manoj P K (2013) has identified the factors influencing the customer satisfaction that are relevant for developing a business model for the real estate agency business. Accordingly, goodwill of the agent, real estate property, information delivery, behavior of agents, punctuality and emergency services are the relevant factors in that order. In yet another study by the present authors, the factors influencing the purchase decision on apartments were studied with reference to Ernakulam city in central Kerala; and accordingly these factors were ranked in the order of their importance.

According to Sidin, Zawawi, Wong, Busu, &Hamzah, (2004), features of the apartment will be a significant determinant of a household choice of residence. The attributes in respect of the three vital factors (viz. Price, Location and Quality) as identified in the study by the present authors of 2014 in the light of studies in the foreign like, Sidin ET. al. (2004). Abelson & Chung (2005) etc., Nasar K K & Manoj P K (2014) .

The consumer behaviour defined as ‘those activities directly involved in obtaining, consuming and disposing of products and service, including the decision processes that precede and follow these actions’. Moreover, Schiffman and Kanuk (2010) mentioned that consumer behaviour is ‘the behaviour that consumers display in searching for purchasing, using, evaluating and disposing of product, service and idea which they expect will satisfy their needs’. Therefore, knowing the factors which influence the buying behaviour for a product could increase the sales volume. Same holds true for residential apartments Engel et al. (2005)

The attempts were made to improve the understanding of the determinants of housing satisfaction among the residents of Penang Development Corporation (PDC)’s development projects. Varady et al., (2001) in the study of relocation of public housing’s voucher

recipients found that age was inversely related to housing satisfaction because according to the researchers, satisfaction levels were likely to have been suppressed by the difficulties associated with moving to a new and unfamiliar environment. Mastura Jaafar (2000).

Real estate property is defined as a financial asset that brings interest, benefits and encumbrances inherent in the ownership of the land and all improvements that are permanently related to it. Real estate market is recognized as a market of the constant rising value, independent of the particular country development. Real estate market, mostly represented by residential housing market, has been traditionally acknowledged as one of the most important segments of broader economy (Reed & Mills, 2007).

#### **4. RESEARCH METHODOLOGY:**

The aim of the present study is to examine the factors affecting the purchase decision of a house in a community and determine the consumer satisfaction towards facilities of the housing communities under study. The study also made an attempt in finding the association between understanding the satisfaction and evaluating factors while purchasing houses. The Primary data was collected through the administering of questionnaires, where questions were framed on five point rating scale. Secondary sources include like past research studies, newspapers, books and internet sources. A convenient sample size of 120 households from select housing communities located in and around Hyderabad are chosen for the study.

The scope of the study is limited to Hyderabad region in Telangana State. Since the study mainly focused only on understanding the consumer satisfaction considering the prominent factors that influence the purchasing behavior of the consumer, the results may not be generalized.

#### **5. RESULTS AND DISCUSSION:**

The questions related to the study are framed on five point rating scale. The data collected is tabulated and descriptive statistics have been used to analyze it.

**Table-1: Factors evaluated during the purchase of house.**

Factors	Mean	stdev
Residential living environment	4.75	0.47
Near to educational facilities/hospitals/	4.61	0.59
Availability of transportation system	4.45	0.82
Car parking facilities	4.5	0.71
Playground for the children	4.4	0.9
Lift facilities and the generator	4.43	0.76
Community hall room	4.15	1.05
No. of bed rooms and living space	4.6	0.63
Noise and sound of adjacent area	4.47	0.74
Density of population or traffic flow	4.54	0.72
Environmental pollution of the area	4.46	0.7
Drainage system	4.53	0.74
Water facilities of the apartment	4.61	0.67
Interior and exterior design of the apartment	4.42	0.71
Sufficient ventilation and windows in the apartment.	4.54	0.78
Reasonable prices of the apartment	4.58	0.61
Installment payments and credit facilities	4.52	0.68

The factors that predominantly considered while making a purchase decision were taken from related research and respondents were asked to give their response on a five point rating scale i. e., most important to the least important. An average score of Mean 3 and above for a factor indicate that the factor was important in making a decision. For most of the respondents living environment (4.75) is the main priority followed by near to educational facilities/hospitals (4.61) and availability of transportation (4.45) systems which implies that respondent's main factor during purchase of homes is location followed by nearby facilities, environmental factors, physical quality and prices.

**Table -2: Consumer satisfaction after purchasing of the house.**

SATISFACTION FACTORS	MEAN	Stdev
Residential living environment	4.57	0.61
Near to educational facilities/hospitals/	4.37	0.63
Availability of transportation system	4.18	0.77
Car parking facilities	4.23	0.75
Playground for the children	4.04	0.76
Lift facilities and the generator	4.1	0.71
Community hall room	3.93	0.89
No. of bed rooms and living space	4.3	0.69
Noise and sound of adjacent area	4.18	0.72
Density of population or traffic flow	4.35	0.72
Environmental pollution of the area	4.39	0.7
Drainage system	4.45	0.74
Water facilities of the apartment	4.39	0.67
Interior and exterior design of the apartment	4.3	0.71
Sufficient ventilation and windows in the apartment.	4.22	0.78
Reasonable prices of the apartment	4.19	0.61
Installment payments and credit facilities	4.47	0.68

For the factors considered, the house holds satisfaction levels were measure on five point rating scale. An average score of Mean 3 and above for a factor indicate that, for the factor the respondents are satisfied. From the table-2, it is evident that the most respondents are satisfied with all the facilities of the housing and they are mostly satisfied with the location and environment after purchasing their homes. The respondents have also expressed that their satisfaction level for facilities like community hall, interior designing, lift and generator, ventilation and living space is low when compared to others.

**Table-3: Issues/challenges that are faced after purchasing of a house.**

Issues /challenges	yes	no
The Reservation procedure	95	25
Access to adequate information about the house	90	30
Fulfillment of promises	82	38
Responsibility about your needs.	79	41
Problems faced after purchasing the house	91	29
Any help from the company personnel	93	27
Quick response to the problem	96	24

From table-3 it is seen that households have got quite few issues in the purchase of house in a community. Most of the respondents faced issues after purchasing their homes. The two main issues they faced are responsibility about needs and fulfillment of promises. But on the positive side it is good to know from the respondents that most of their problems have overcome.

Attempt has been made to find the association between the factors evaluating while purchasing process and consumer satisfaction, for which hypothesis has been framed.

**H<sub>0</sub>:** There is no association between the factors evaluating while purchasing process and consumer satisfaction.

**H<sub>1</sub>:** There is an association between the factors while purchasing process and consumer satisfaction

Factors evaluating while purchasing	Consumer satisfaction
4.75	4.5
4.61	4.37
4.45	4.18
4.5	4.23
4.40	4.04
4.43	4.1
4.1	3.93
4.6	4.3
4.47	4.18
4.54	4.35
4.46	4.39
4.53	4.45
4.61	4.39
4.42	4.3
4.54	4.22
4.58	4.19
4.52	4.47

Column1	X	Y
X	1	
Y	0.756164852	1

From the above data it is inferred that 0.75 is high degree positively correlated i.e.,; there is association between the factors evaluated during the purchase and consumer satisfaction.

## **CONCLUSION:**

This study has analyzed the purchase decisions of customers in the purchasing of Housing communities with reference to Hyderabad city. The study observed cleanliness and peaceful environment factors as the major factors for choosing the housing communities and also identified environment and project facilities are major factors while purchasing a house. Households under study are highly satisfied with the location and living environment of their homes. The major contribution of this study is that the researchers could provide guidelines to the residential property developers regarding the significant factors which have to be duly considered in future while their product marketing strategies. The customers who aspire to be the real owners would naturally expect minimum requirements, amenities and various convenience factors in the housing communities that they want to purchase. Even after purchasing homes, they are facing issues particularly relating to the basic amenities, and it will take some time to resolve such problems. After the purchase, the developers normally get free themselves from further issues, and delivery of further services and resolution of various problems are often handled by the customers through the frequent and timely interaction with the respective resident's associations.

## **IMPLICATIONS FROM THE STUDY:**

The developers have to give due regard to the prominent factors that customers expect from the developers in their decision making process that precedes their actual purchase of apartments. Constant interaction of the developers with the respective resident's associations would give them more practical insights on a regular basis that can be used meaningfully in the design and development as well as marketing of their future home projects.

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