



ISSN: 0975-833X

RESEARCH ARTICLE

EMPIRICAL INVESTIGATION ANALYSIS ON FACTORS INFLUENCING THE CONSUMER PREFERENCES IN PURCHASING RESIDENTIAL FLATS AT AMBATTUR

***Dr. D. Rajasekar and Kosaraju Chandrasekar**

Amet Business School, Amet University, ECR, Kanathur, Chennai – 603112

ARTICLE INFO

Article History:

Received 11th July, 2013
Received in revised form
24th August, 2013
Accepted 19th September, 2013
Published online 23rd October, 2013

Key words:

Consumer behaviour,
Realestate and
Housing career in tax concession and
government encouragement.

ABSTRACT

Salivary Shelter is basic necessity of life, ranked behind only to food and clothing in importance. There is strong urge in every individual life, whether rich people or poor people to own a house. House is not a place of dwelling alone it also satisfies an individual's social and psychological needs. House by itself is not productive asset but investment in housing helps in increasing productivity provision of shelter is thus closely linked with a country's overall socio – economic development. For the purpose of the study a questionnaire was constructed and survey taken from a finite number of customers as consider them as samples where the total population was infinite in nature. The research design used for the study is descriptive research which will analyze the current market status and consumers. The collected data is analyzed and interpreted with the help of suitable statistical tools and accordingly the findings, suggestions and recommendations are constructed which is consider to be the important part of the project.

Copyright © 2013 Dr. D. Rajasekar and Kosaraju Chandrasekar. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

The real estate sector in India has come a long way by becoming one of the fastest growing markets in the world. It is not only successfully attracting domestic real estate developers, but foreign investors as well. The growth of the industry is attributed mainly to a large population base, rising income level, and rapid urbanisation. The sector comprises of four sub-sectors- housing, retail, hospitality, and commercial. While housing contributes to five-six percent of the country's gross domestic product (GDP), the remaining three sub-sectors are also growing at a rapid pace, meeting the increasing infrastructural needs. The real estate sector has transformed from being unorganised to a dynamic and organised sector over the past decade. Government policies have been instrumental in providing support after recognising the need for infrastructure development in order to ensure better standard of living for its citizens. In addition to this, adequate infrastructure forms a prerequisite for sustaining the long-term growth momentum of the economy. The Indian real property market has witnessed an unprecedented rise in the realty and land prices in the last ten years or so. In the present condition the best investment option most people would rely on is buying a home. Home is the safest investment because it is one of the few assets whose value appreciates over the years. Buying a home is not only a dream that people cherish life long, but it can also be a tax saving option as tax deductions are available on the purchase of a house if you apply for

housing loans in India. Following the boom, in the real estate market, a healthy competition can be witnessed in the housing finance sector, as more and more banks and financial institutions are entering the house loan market. The market is flooded by various housing finance schemes offered by these banks and financial institutions and the ultimate beneficiaries are the consumers as they have got plenty of options to choose from according to their requirements. The immediate impact of rising competition in the housing loan sector can be seen in the rates of interest charged by various banks. Most of the banks and financial institutions are offering housing loans at competitive interest rates and innovative house loan products. The standard interest rate in the market today is 10.15 to 10.50% per annum for a five-year loan. However, the terms and conditions for housing loans differ from one bank to the other. Housing loans in India are available for a number of reasons such as purchase, construction, expansion and renovation of house. So housing finance companies now offer individuals with various alternatives to choose from, while taking a house loan. They offer loans for property investment like home purchase, home construction, home improvement, home extension, home equity and home conversion. Other housing loans offered by them are land purchase loan, stamp duty loan, balance transfer loan, refinance loan and others. Since the last five years, the real estate sector in India is getting organized. And it is being supported by an organized housing finance sector and with the increase in transparency levels, people are getting confident with the financing Vehicles offered in the housing finance sector. As most housing finance companies have reduced their interest rates, this is probably the best time to buy a housing loan.

**Corresponding author: Dr. D. Rajasekar*

Amet Business School, Amet University, ECR, Kanathur, Chennai – 603112.

Ambattur – Region

Ambattur is an important industrial town located in Chennai Extension. The town constitutes a regional suburb of the adjoining district of Chennai called Tiruvallur. The region is situated towards the west of the city and at a distance of about 13 kilometres from central Chennai. The place is connected with the continuous road and railway links. The locality of Ambattur is essentially an industrial area. The industrial area was developed and made fully functional in the year 1964. The township features one of the biggest small scale industrial estates in whole South Asia. The place houses some of the reputed companies of India. Companies like TVS, Dunlop, T.I.Cycles, Britannia, Godrej and Boyco, etc., are some accredited ones located in the Ambattur suburbs. The regions also features few reputed software companies like HCL and Tata Consultancy Services. popular residential areas of Ambattur include Kamaraj Nagar, Balaji Nagar, Sathya Nagar, Periyar Nagar, Venkata Nagar, etc.

Areas under Ambattur

- Mogapper
- Padi
- Korattur

Statement of the problem

This study tried to answer the following questions; What are the factors that influence buying behaviour people living at ambattur towards residential flats? And what are the most influencing factors that affect buying the apartment. And are there any differences in the influencing factors towards the customer's demographic factors.

Objectives

- To investigate the main factors that influence the consumer's buying behaviour.
- To identify the different sources of information and their effect in motivating the purchasing of residential flats.
- To examine the relationship between consumer preference and attributes of residential flats.
- To identify the association between demographic variable of consumers and their preference and purchase decision.

Review of Literature

Mwfeq Haddad, Mahfuz Judeh and Shafiq Haddad (2011) Says that respondents would significantly adopt the main constructs when buying residential apartments, including aesthetic, economic, marketing, geographic, and social constructs. On the other hand, the study concluded that there were significant differences in decision making regarding buying residential apartments according to the sample gender. At the same time, there were significant differences according to the sample age. The result of this study were consistent with Diskin's (1982) study where it indicated that there were significant differences in the respondents answer due to age. This study revealed also that there were no significant differences according to the marital status or educational level. In fact, this study had notable practical implications for researchers and practitioners in the field of real estate. It might help individuals and decision makers in organization to select

suitable apartments that could satisfy their requirements. The constructs of this study could be used as a practical framework when an organization or an individual would buy an apartment. Moreover, findings of the study regarding demographic characteristics had considerable practical use mainly for real estate organizations to draw their attention to the demographic factors that might affect the decision.

Buyers preferences

Builders Reputation, Terms and conditions of the builder, Centrally located, Design of the flat, Interior Decoration, Cost of the flat, Water facilities, Parking facilities, Proper lift facilities, Nearness to market, Nearness to Bus stop, Nearness to Railway station, Nearness to hospital, 24 hrs power supply, play school, Vaastu shastra etc.

Financial facilities: Housing loan is easily available in all banks, Public sector banks issue housing loan for less interest and private banks are reducing the interest on housing loans due to competition.

Tax concession and Flat promotion: Flat promotion is considered as one of the ways to save tax. Government employees are forced to buy flats for taxation.

Encouragement: Government of India has decided to provide house to everyone by announcing the separate schemes of tax through housing finance.

METHODOLOGY

Sources of data: Both secondary and primary data had been collected to this study. Books, Journals, Periodicals used as resources in collecting secondary data and the information regarding the study's topic. Primary data collected through questionnaire that had been made and distributed to the sample of the study.

Questionnaire

The questionnaire is based on the initial research model and propositions. The responses are obtained through a well framed questionnaire. The respondents are asked to give their opinion relating to the three consumer behaviour aspects. They are Demographical factors, elements of flat promotion and financial facilities.

Sampling

Sample size : 400

Sampling Method : Convenient sampling

Regions : In and around Ambattur and also the areas under ambattur like Mogappair, Padi, and Korattur. The respondents are contacted where the flat promotions are more at the newly built residential apartments and in the financial institutions.

Statistical tool

Anova

Research hypothesis

There is no significant difference in the factors of tax concession and government encouragement with respect to

Table 1. Gender and factors of Tax concession and Government encouragement

ANOVA		Sum of Squares	Df	Mean Square	F	Sig
AVESAVING	Between Groups	.000	1	.000	.001	.978
	Within Groups	270.109	398	.679		
	Total	270.109	399			
AVEINVEST	Between Groups	.013	1	.013	.036	.849
	Within Groups	146.809	398	.369		
	Total	146.822	399			
AVEFACIL	Between Groups	.069	1	.069	.139	.710
	Within Groups	198.015	398	.498		
	Total	198.084	399			
AVEENCOU	Between Groups	.081	1	.081	.125	.724
	Within Groups	259.268	398	.651		
	Total	259.349	399			

From the above table of analysis of variance it is found that there is no significance difference in the factors of tax concession and government encouragement with respect to gender at 5% level of significance.

Table 2. Education and factors of Tax concession and Government encouragement

ANOVA		Sum of Squares	Df	Mean Square	F	Sig
AVESAVING	Between Groups	3.896	4	.974	1.460	.214
	Within Groups	258.743	388	.667		
	Total	262.639	392			
AVEINVEST	Between Groups	2.515	4	.629	1.723	.144
	Within Groups	141.596	388	.365		
	Total	144.111	392			
AVEFACIL	Between Groups	2.297	4	.574	1.177	.320
	Within Groups	189.251	388	.488		
	Total	191.548	392			
AVEENCOU	Between Groups	5.526	4	1.381	2.157	.073
	Within Groups	248.551	388	.641		
	Total	254.076	392			

From the above table of analysis of variance it is found that there is no significance difference in the factors of tax concession and government encouragement with respect to education at 5% level of significance.

Table 3. Income and factors of Tax concession and Government encouragement

ANOVA		Sum of Squares	Df	Mean Square	F	Sig
AVESAVING	Between Groups	3.523	3	1.174	1.745	0.157
	Within Groups	266.586	396	.673		
	Total	270.109	399			
AVEINVEST	Between Groups	2.198	3	.733	2.006	.113
	Within Groups	144.624	396	.365		
	Total	146.822	399			
AVEFACIL	Between Groups	7.928	3	2.643	5.503	.001
	Within Groups	190.157	396	.480		
	Total	198.084	399			
AVEENCOU	Between Groups	17.184	3	5.728	9.367	.000
	Within Groups	242.165	396	.612		
	Total	259.349	399			

The analysis of variance table gives the exact picture that the consumers of flats with different income are totally encouraged by the Government (F-value=5.503, F-Value=9.367) and its facilities to involve in flat promotion.

gender at 5% level of significance. There is no significant difference in the factors of tax concession and government encouragement with respect to education at 5% level of significance.

RESULT AND DISCUSSION

The demographic variables gender, education, income of the consumers do not distinguish them in realizing the elements of flat promotion and behaviour of the people. The occupation of the consumers make them to differ in their views that when they possess high rank in the occupational establishments, they think to buy independent houses and their behaviour also differ from usual behaviour significantly. To achieve the flat promotion activities people in Ambattur area approach various financial sources like public sector, private sector and foreign banks.

Suggestions

Flat promoter should encourage the customers by highlighting that the flat promotion is the only solution for housing in the present trend of population explosion. Builders and flat promoters can concentrate on giving spacious accommodation with common area for reasonable amount. As the demographic variables are playing the vital role in determining the customer satisfaction, flat promoters should frame their strategies and plans according to the requirement of customers. Area selection must be taken care. Apartment with luxurious facilities are to be brought up and also budgeted flats must be encouraged.

Conclusions

Demographic variables of customers play a vital role in determining the customer satisfaction in flat promotion. Most

of the customers of flat are forced to invest on housing schemes to weigh themselves from tax burden. Flat promotion is acceptable solution to provide house for every citizen in the present trend of complicated economy and population.

REFERENCES

- Amarehand, (2005), principles of marketing S.Chand publications, New Delhi.
- Brandstetter, M. C. G. de O. (2011), Consumer Behavior Analysis of Real Estate Market with Emphasis in Residential Mobility, Choice and Satisfaction – The Built & Human Environment Review, Volume 4, Special Issue 1, 2011.
- Danaher, Peter J.(2009), " Customer Heterogeneity in Service Management , " Journal of Service Research, 1(2), 129-139.
- Gupta R.G. (2005), shelter for poor in the fourth world, Vol-2, Shipra publications, Delhi, 2005, p.773-781.
- Mwfeq Haddad, Mahfuz Judeh and Shafiq Haddad (2011), Factors Affecting Buying Behavior of an Apartment an Empirical Investigation in Amman, Jordan - Research Journal of Applied Sciences, Engineering and Technology 3(3): 234-239, 2011.
