

Chapter 1

Introduction

1. Rational and Background to the Research

Real estate property research is a relatively new field of academic investigation although it has been long established business in practice. Because real estate is a business industry, the study into it requires multi-disciplines. While there are numerous studies in business, construction, architecture, and project management, investigative literature regarding real estate and property is limited. Thus, academics recognise the scarcity of literature related to this research area and the fact that much of this literature is outdated.

Nowadays, the changing market environment and advances in technology are posited to be the major causes of changes in the business world. In term of business management, governance and operation has rapidly changed during the past decade. Likewise, those advancements also change the way of living and consumption through, for example, free the flow of information and communication. Consequently, higher amounts of information and accessibility to needed knowledge do cause a massive revolution in consumer behaviour.

Existing literature related to real estate highlights the need for investigation into the consumer behaviour perspective as a demand of the market (Daly, Gronow, Jenkins, & Plimmer, 2003, pp. 295-314). Researchers argue that the majority of the studies have emphasized heavily the supply side related to real estate, for example, the studies and development of the appraisal science, law and regulation, and construction technologies. (Daly et al., 2003, pp. 295-314). Due to high competition, the recent trend has been more customer-oriented (or demand side-consideration), rather than producer-oriented (or supply side-consideration) as before. Hence, this study attempts to examine the real estate customers' preferences, which are posited to be influenced by a number of sources such as personal and social factors in order to understand the demand side of the market (Daly et al., 2003, pp. 295-314).

2. Research Objective

There are limited studies investigating the impact of personal factors and social factors in customer buying decision making, and this is even more rarely available in the real estate context (Daly, Gronow, Jenkins, & Plimmer, 2003, pp. 295-314). This research aims to fill this gap in the literature by conducting an investigation on the impact of personal and social factors on the customers of single-detached house project preferences in marketing mixes on buying. Firstly, demographical data such as gender, age, formal education, personal income are the personal factors variables examined in this study. In addition, this study posits the important role of housing knowledge, as a specific knowledge, on customers' marketing mixes preferences.

Secondly, to investigate the impact of social factors, this study aims to examine the different impact level of each type of social reference groups on customers' marketing mixes preferences. The social factors variables are divided into six groups, which are spouse and child, parents, spouse's parents, relatives and closed friends, experienced friends, and specialists. The third objective is to explore the relationships between personal and social factors variables in this context. Finally, the impacts of these relationships on single-detached house marketing mixes preferences are endeavored.

3. Research Questions

In line with the research objectives demonstrated in the previous section, the research questions are developed to clarify the methodology pursued in this study. There are four research questions developed to be used as a guideline to find the answers that match the research objective. Those four research questions are as follows:

1. Do personal factors variables affect the marketing mixes of home buying decision making and how?
2. Do social factors variables affect the marketing mixes of home buying decision making and how?

3. Are personal factors variables related to social factors variables?
4. If so, do the relationship between personal factors variables and social factors variables affect the level of marketing mixes preferences?

4. Research Terminology

The definitions of key terms used in this research are demonstrated in this section. These definitions are applied from the literature, but have been adopted to suit the context of this study. Some terms and definitions are used only for this study. The research terminology and definition are given to achieve mutual understanding of words used in this research.

1. Marketing mixes: A marketing concept that is used for market analysis and marketing strategy development. The marketing mixes consists of four elements: product, price, place and promotion. The additional three elements, people, process and physical evidence, for service marketing are applied to this study.

2. Personal factors: Personal factors consist of factors related to internal variables of a person. There are six personal factors: gender, marital status, age, formal education, personal income and specific housing knowledge, used as the independent variables in this study.

3. Social factors: Social factors refer to external variables that impact individual's behaviour. This study examines social factors through the dimension of the trust and influence level.

4. Types of social factors: Types of social factors are, in other words, the reference groups of people. This research divides social factors by the types of connection to be six groups: parents, spouse and child, spouse's parents, relatives and close-friends, experienced friends and specialist, in order to analyze the impact of a different relationship structure.

5. Specific housing knowledge: Specific housing knowledge is a variable of personal factors in this study. It consists of the factors related to the knowledge in assessing a housing property such as reasonable price of land and knowledge of housing material (see section 4.1 for detail).

6. Experienced friends: Experienced friends variable is a type of social factors in this study. It refers to the relationship with friends who have house buying experience.

7. Specialist: The term specialist on this study refers to the construction and real estate business professionals. It covers engineer, architect and sold agent officers.

5. Significance of the Research

The investigation into the impact of personal and social factors in the marketing mixes preferences in single-detached house buying decisions will contribute to the extension of the body of knowledge as well as the implication for practitioners. The research results are aimed extending the marketers' and developers' understanding of single-detached house customers' buying decision making process for business improvement.

In terms of the body of knowledge, the research results of this study will give a clearer understanding of housing customer behaviour regarding their preferences through the aspects of marketing mixes. The analysis by using multiple elements of personal and social factors will provide insight into the cause and effect. Moreover, the adaptation of social network theory in the analysis of reference groups in social factors will extend the knowledge regarding the role of trust. This will be accomplished through the effect of the social factors of individual psychological processes, which in this case are decision making process and preferences in marketing mixes.

In term of practitioners, the research findings might help both developers and professionals in strategic settings, which will benefit the single-detached house customers as a whole. Furthermore, the research findings may enable marketers to understand the role of influencers in the buying process.

6. Research Limitations

Although there are a number of contributions to this research, limitations are recognised. These limitations are the issues related to the scope of the study and its methodology and research design. Firstly, this study emphasises only on the single-detached house owner. Therefore, the single-detached house context may differ from the other residential markets. Secondly, the geographical area of data collection covers single-detached home owners in Bangkok and metropolitan areas. Thus, the implication of this research is limited to the consumer behaviour and preferences of urbanity only. Thirdly, the house decision maker, or the real customer, is relatively hard to identify as the one who takes action and the decision maker might be different. The questionnaire of this study does not confirm the role of respondent so there is the tendency of inadequate respondents.

Fourthly, the research findings from principal component analysis reveal only four marketing mixes. Different from literature, price, place and people are critical marketing mixes but they demonstrate a weak internal consistency value in this study. This may reflect the inadequate questions in the questionnaire. Hence, further improvement of this research instrument is required. The research findings using quantitative methods present general facts without insight details and reasons. Because the sample of this study is a Thai home owner, the research results may be specific to Thai culture. Further studies are required to generalize and confirm this knowledge.