Factors Influencing House Purchase Intention among PKNS Housing Fair Visitors

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Abstract

This study was conducted to understand the factors that influence house purchase intention among consumers visiting PKNS housing fair using the Theory of Planned Behaviour. This study found attitude, quality, location, and advertisement did influence consumer intentions to purchase a house, meanwhile, brand was found to have no relationship on consumer’s purchase intention for a house. Survey questionnaires were used to collect data from visitors visiting PKNS property fair and sales gallery. A total of 200 visitors responded to the questionnaire. Statistical Package for Social Sciences (SPSS) 25.0 was used to analyze the data. The findings found that there is a relationship between attitude, quality, and advertisement towards purchase intention. However, brands and locations have no significant relationship towards purchase intention. Finally, this study will serve as a guide for real estate developers in meeting the needs of consumers in obtaining their dream homes.

Keywords
Purchase Intention, Property Fair, PKNS, Theory of Planned Behaviour, Visitor.

Introduction

Recent Covid-19 pandemic and MCO imposed by government has undisputedly affecting a lot industry, with higher unemployment and pay cuts in some sectors. With expected raising in unemployment rate this year, people will be reluctant to spend on a new property (Kathy B., 2020). However, as a proper house is a basic need for a human being, thus,
understanding the factors influencing consumer to purchase a house is deemed important, regardless whether we are in post pandemic condition or not.

A comfortable and conducive home is one of the basic needs of humanity Buyung (2017). According to Sweaney & Meeks (1992) and Sofberi (2016), good and perfect house is reflected when it provides well-being to households and enhance the quality of life. According to statistics compiled by the NAPIC (National Property Information Center), from 2015 to 2018 showed an increase in unsold properties. In 2015 there were 16,576 units of unsold property involving RM8,521.02 million, but in 2018 there were 51,265 units of unsold housing throughout the state and a loss of RM35,758.55 million. With the rapid development of housing projects in Malaysia, it is crucial to identify factors that can influence consumers to purchase a house.

According to Shafii (2010), comfort and safety inside and outside the home, complete infrastructure, complete facilities and good areas are factors that can improve the quality of life of the community, especially the people in the city. The finding is supported by a study conducted by Manivannan and Somasundaram (2012) asserting that buyers will consider many factors before making a purchase decision. Thus, by taking into consideration the factors that contribute to purchase intentions of a house, developers can develop good quality, and affordable housing estates, thus contributing to the economy of the state.

However, according to Salleh (2011), there are many weaknesses in the development of housing products by the developer, such as quality and workmanship. The problems that arise in terms of products and services provided by the developer will give a negative impression to the housing developer.

This problem is also faced by PKNS in providing and building homes as well as residential for consumers. To meet the needs of consumers, the PKNS have built up various types of houses and properties ranging from RM 42,000 (affordable housing schemes) to a maximum of RM 3.6 million (luxury homes) per house. Therefore, to develop houses that can cater towards the needs of the consumers, it is logical for researchers to determine the factors affecting the purchase intention amongst consumers and PKNS property clients.

Hence, with the issues discussed above, it is hoped that the result of the study will be able to guide housing developers to develop home and services according to the needs of the customers. Therefore, this study was done to identify factors influencing consumer intentions in terms of attitude, brand, quality, location, and advertising.
Limited previous study done on the factors affecting house purchase intention especially among PKNS visitors. Hence, using on a Theory of Planned Behavior (TPB), this aim of this paper is to examine whether the following factors, such as attitude, brand, quality, location, and advertising will influence consumer’s intention to purchase a house among PKNS visitors. The result of the study will have implications for users and indirectly contribute to the housing developer’s understanding of what customer wants, as well as policy maker and banker’s decision to help in the economic development.

Literature Review

TPB introduced by Ajzen (1991) is used to predict consumer intentions to conduct behavior at certain times and places. It has previously been observed that this theory was used to understand factors influencing consumer to purchase a house among Kota Kinabalu customers (Chia, Harun, Kassim, Martin & Kepal, 2016). The results proved that the TPB can be used and provided as a guide in understanding the factors that determine consumers' intentions and behaviors in making a home purchase.

Purchase intentions is defined as a probability of consumer’s intention to purchase a new product or repeated purchase of existing products (Wu, Yeh, & Hsiao (2011). Otherwise, studies conducted by Chia, et al. (2016) also found that there is a significant relationship between purchase intention and several factors such as distance, environment, financing, and housing characteristics in the consumer's decision to buy a home.

Attitude is one of the factors that influence the purchase intention (Lee, Lee, & Yang, 2017; and Ramayah, T., Oh, S. M., & Omar, A., 2008). A study by Kamal, Sarker, and Praman (2016), supported that attitude influence purchase intention.

Brand is also one of the factors influencing purchase intention. A study conducted by Cheng and Cheok (2008) has supported this statement where every respondent involved in the study was asked about the realization of the brand of real estate purchased, and the finding showed that respondents will make a selection based on the brand of a real estate developer they want. It was further supported by Razak Ibrahim, R., Hoo, J., Osman, I., & Alias, Z. (2013), where they found that the image of a developer has a very strong influence on the intention of buying a home.

The quality of a product or service greatly influences the buyer's intentions especially during shopping at a store, where most consumers tend to prioritize and select products based on a few quality dimensions (Schroder, G. O, Wulf, K. D., Kasper, H., Kleijnen, Hoekstra, J. Commandeur, H. (2001). On a different note, Thamizhvanan, and Xavier
found that quality is not a factor in an online purchase intention among youth in an Indian context. Eze, Kwan and Fenella (2012) also found there is no significant relationship between quality and purchase intention for Proton vehicles.

Locations close to various points of interest and convenience are also an important factor in home buying. Accordingly, a study by Ismail and Shaari (2019) and Sengul, H., Yasemin, O., & Eda, P (2010), found that location is one of the important factors that influence the decision to buy a house. Supporting this view was a study conducted by Razak, Ibrahim, Hoo, Osman & Alias (2013) and Hong (2011), confirming that location is an important factor in Malaysia's home consumers purchase intention.

Advertisement did play a role in influencing the purchase intention. A study done by Martins, Costa, Oliveira, Goncalves and Branco (2019) found that intention to purchase a smartphone is influenced by advertising value. In addition, a study by Alalwan (2018) show that advertisement through social media will be able to influence the purchase intention.

Based on the above-mentioned discussion, the following are the research framework for this study.

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude</td>
<td>Purchase Intention</td>
</tr>
<tr>
<td>Brand</td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 1 Research Framework**

**Methodology**

Quantitative study is conducted to understand the factors that influence purchase intention of the consumers. Survey questionnaires were distributed to visitors to PKNS property fair or sales gallery through convenience sampling method. Some of the visitors had paid deposit ranging from RM500 – RM1,000 to book the residential properties priced between RM 250,000 to RM 1 Million. The questionnaires were adapted from Hong (2013),
Sangkakoon, Ngarmyarn, and Panichpathom (2014), Sean and Hong (2014), using Likert scale ranging from strongly disagree as 1 to strongly agree as 5.

**Result**

**Table 1 Regression Analysis – Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.762a</td>
<td>.580</td>
<td>.569</td>
<td>1.77152</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), ADVERTISING, LOCATION, ATTITUDE, QUALITY, BRAND

Table 1 above shows the result of adjusted $R^2$ where 0.569 or 56.9% of the change in consumers’ house purchase intention is due to factors such as attitudes, brands, quality, location, and advertisements). There are probably other factors that influence purchase intention of a house.

**Table 2 Correlation Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.541</td>
<td>1.465</td>
<td>.369</td>
<td>.712</td>
</tr>
<tr>
<td>ATTITUDE</td>
<td>.238</td>
<td>.075</td>
<td>.232</td>
<td>3.167</td>
</tr>
<tr>
<td>BRAND</td>
<td>-.734</td>
<td>.122</td>
<td>-.515</td>
<td>-6.019</td>
</tr>
<tr>
<td>QUALITY</td>
<td>.641</td>
<td>.091</td>
<td>.544</td>
<td>7.072</td>
</tr>
<tr>
<td>LOCATION</td>
<td>.070</td>
<td>.045</td>
<td>.075</td>
<td>1.550</td>
</tr>
<tr>
<td>ADVERTISING</td>
<td>.753</td>
<td>.067</td>
<td>.606</td>
<td>11.209</td>
</tr>
</tbody>
</table>

a. Dependent Variable: PI

The findings show that attitudes (IV) have a $\beta = 0.238$ and $p = 0.002$. Thus, H1 is accepted. The result shows that attitude had a significant positive relationship with the purchase intention (DV), and it help to explain 23.8 % of purchase intention. The result was supported by a study by Cheah, Phau and Liang (2015), where they found that the attitude has a strong influence on the intent of e-deals purchase.
As for brands, the $\beta = -0.734$ and $p = 0.000$. This H2 is accepted. However, negative beta indicates there is a negative relationship between brands and purchase intention. It means that 1-unit increase in brands causes 73.4% decrease in the purchase intention. Brands are an important names and symbols in creating a name for users but, from the findings, the PKNS as developer's brand had negative relationship with the intention to purchase the house. The result is reinforced by the findings by Chia, Harun, Kassim, Martin and Kepal (2016), where they found that consumers are not brand conscious, but emphasize more on the properties only. This may be because there are many brands of developers that provide compatible services. Therefore, users can get a wide variety of developer brands without focusing on just one developer brand. With this, consumers are more aware of the developer brand but more focused on other factors, such as the features of the house.

Next, quality (IV), have a $\beta = 0.641$ and $p = 0.000$. Thus, H3 is accepted. The results of the analysis above show quality (IV) has a significant positive relationship with purchase intentions (DV). Quality helps to explain 64.1% in the changes of consumer purchase intention. This shows that the good quality of housing provided by PKNS developers will have an impact on consumer purchasing intentions in the purchase of real estate and housing. A study conducted by Xiao, Yang and Iqbal (2018), supported this finding.

Whereas for location (IV) has $\beta = 0.070$ and $p = 0.123$. Hence, H4 was rejected because $p > 0.05$. This means that there is no significant relationship between location and purchase intention (DV) of residential properties. This shows that location did not influence consumer to purchase a house. Thus, it can be concluded that the consumer did not prioritize the location of a dwelling. This finding is supported by a study by Al-Nahdi (2014), where he found that location is not a factor that affects consumer intentions in making real estate purchases. Consumers may be looking at quality, and comfortability of a home and not on the location of the house. Therefore, if the location of a house is quite far, as long as it can fulfill all the needs of the consumers, it will be the main focus for the consumer who wants to own a house.

The last independent variable (IV) is advertising, which has a $\beta = 0.753$ and $p = 0.000$. It shows that there is a positive relationship between advertising and purchase intention (DV). Thus, H5 is accepted. 75.3% of the changes in purchase intention is explained by 1-unit changes in advertisement. The result of this analysis is supported by a study conducted by Mirabi, Akbariyeh and Tahmasebifard (2015), where advertisement of a product has a positive effect on the user’s purchase intention. This proves that advertising is important in influencing consumers in choosing a product, service or property. Typically, advertising
will involve four aspects - price, product, promotion and location. Thus, advertisements made by PKNS have a huge and reliable influence on consumers in real estate selection.

Table 3 Correlation Analysis

<table>
<thead>
<tr>
<th>Correlations</th>
<th>PI</th>
<th>ATT</th>
<th>BRND</th>
<th>QLTY</th>
<th>LCTION</th>
<th>ADVTSG</th>
</tr>
</thead>
<tbody>
<tr>
<td>PI Pearson Correlation</td>
<td>1</td>
<td>.524**</td>
<td>.498**</td>
<td>.524**</td>
<td>.353**</td>
<td>.983**</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>ATT Pearson Correlation</td>
<td>.524**</td>
<td>1</td>
<td>.982**</td>
<td>1.000**</td>
<td>.251**</td>
<td>.535**</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>BRAND Pearson Correlation</td>
<td>.498**</td>
<td>.982**</td>
<td>1</td>
<td>.982**</td>
<td>.248**</td>
<td>.505**</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>QUALITY Pearson Correlation</td>
<td>.524**</td>
<td>1.000**</td>
<td>.982**</td>
<td>1</td>
<td>.251**</td>
<td>.535**</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>LOCATION Pearson Correlation</td>
<td>.353**</td>
<td>.251**</td>
<td>.248**</td>
<td>.251**</td>
<td>1</td>
<td>.344**</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>ADVERTISING Pearson Correlation</td>
<td>.983**</td>
<td>.535**</td>
<td>.505**</td>
<td>.535**</td>
<td>.344**</td>
<td>1</td>
</tr>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Based on the correlation analysis in Table 3, advertisement \( (r = 0.983) \) show that it is the most important factors in influencing purchase intentions. Quality and attitude \( (r = 0.524) \) are almost equally important factors that influence purchase intention. And location \( (r = 0.353) \) did show some weak significant relationship with the purchase intention.

Conclusion

This study can provide a lot of contributions to various parties especially to property developers, namely PKNS. The main purpose of this study is to understand what factors influence consumer purchasing intention in making selection and purchase of PKNS properties. The property developers, especially the PKNS, can make this study as a guide to increase property sales by developing according to the factors deem significant in influencing consumer to make decision to purchase a house. Besides, this study also allows PKNS to improve the quality of services based on factors contributing to the purchase intention to make careful planning before developing and planning a property project. Housing is amongst the most basic of all human needs. In Malaysia, demand for housing properties is still high among the first-time buyers. Demand shows an increase of purchase every year, but every year also shows an increase in the number of unsold houses. It has a huge impact on the country's economy. It also shows that the housing sector has not been
able to fulfill all the needs of consumers in making home purchases. Therefore, this study will guide property developers especially PKNS to fulfill the needs and requirements of consumers. Based on the findings, it is found that three factors that influence consumer intentions in the purchase of housing are attitude, quality, and advertisement. Housing developers need to understand these factors and take initiatives to improve their sales revenue and the quality of their services. Housing developers, especially PKNS also, need to carefully plan and manage each housing project by examining each of the appropriate housing features based on this study. With this, consumer will benefit from greater satisfaction with their house purchases and consequently, profits to developer as well as better economy condition.

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