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### EXPECTATION OF BUYERS ABOUT NEIGHBOURHOOD FACILITIES IN THE PURCHASE OF APARTMENTS IN KERALA

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#### ABSTRACT

Housing sector in Kerala has registered tremendous growth due to factors such as rising income, growing urbanization etc. This has resulted in people tempting to own Villas or Apartment. This study was conducted to examine the determinants of consumer expectation and buying behaviour with regard to apartments in Kerala. A structured questionnaire was administered among one hundred buyers of apartments across Kerala. Respondents were selected by judgment sampling from a randomly selected list of builders in Kerala. The findings of the study would help builders in Kerala to get a better insight about buyers' expectations and fine-tune their projects accordingly. This will have an impact on formulation of marketing strategies by builders in Kerala.

#### KEYWORDS

Buyers Expectation, Neighbourhood facility and Apartments.

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#### INTRODUCTION

Density of population in Kerala is comparatively high. Availability of residential plots are limited. So land price stands skyrocketed. Due to high price, insufficiency of land, high cost of land registration, and high price of building materials, people are now least interested to buy a land for building their own house. That's why they turn to real estate companies who are providing Villas or apartments. As a result, real estate business has enjoyed a boom over the

years. The study was conducted to examine the determinants of consumer expectation and buying behaviour with regard to apartments in Kerala. The purpose of this paper is to describe the consumer expectation about neighbourhood facilities in the purchase of apartments.

Expectation is a consumer's belief with respect to the various product attributes and the overall performance level of the product. An expectation is a personal bias that tells the consumer what they are about to see. Either a personal experience or other preconditioning produces an expectation about what is about to be seen. When that expectation is realized, the expectation comes to fruition.

Weitz and Wensley (2002) argued that service quality results from customers' expectations of what should the service provider offer, how the provider actually performs to meet those expectations<sup>8</sup>. Customer expectations are beliefs about service delivery that function as standards or reference point against which performance is judged. Failure to understand the levels of service customers expects can mean losing a customer to competitors who are able to meet customers' expectations and therefore be at a risk of losing business. Customers hold different types of expectations about service, the highest type of these are desired service and adequate service. Desired service is the level of service the customer hopes to receive. It is a combination of what customers believe "can be" and "should be". The expectations signal the level of customer hopes and wishes and belief that they may be fulfilled, thus failure to meet these expectations may result to customers cutting down on purchase. Customers generally accept that the service would not always be performed according to their expectations and this is formerly known as adequate service. Adequate service is the level of service that customers will accept. Though customers' hopes and wishes may still be high, they however have a certain level of understanding in cases where receiving desired service does not seem possible at all.

Residential satisfaction has been a major and popular research topic for the following reasons. First, Residential satisfaction is recognized as important

component of individuals' quality of life. Second, individuals' evaluations of housing and neighbourhood determine the way they respond to residential environment and form the basis for public policy feedback. Therefore, the knowledge about factors that shape residential satisfaction is critical for a better understanding of household mobility decision process<sup>4</sup> (Lu, 1999). Theories of residential satisfaction are based on the notion that residential satisfaction measures the difference between households' actual and desired housing and neighbourhood situations<sup>3</sup> (Galster and Hesser, 1981). They make their judgments about residential conditions based on their needs and aspirations.

Satisfaction with their residential conditions indicates the absence of complaints as their needs meet their aspirations. On the other hand, they are likely to feel dissatisfied if their housing and neighbourhood do not meet their residential needs and aspirations. Morris and Winter(1978) introduced the notion of "housing deficit" to conceptualize residential satisfaction<sup>5</sup>. Their housing adjustment theory contends that if a household's current housing meets the norms, the household is likely to express a high level of satisfaction with housing and neighbourhood. An incongruity between the actual housing situation and housing norms results in a housing deficit, which gives rise to residential dissatisfaction. As a result, they are likely to consider some form of housing adjustment.

Previous studies on residential satisfaction have analyzed many variables such as housing, neighbourhood, and users' characteristics that affect residential satisfaction<sup>1</sup> (Alison *et. al.*, 2002). Building features, such as number of bedrooms, size and location of kitchen and quality of housing units, are strongly related to residential satisfaction. Satisfaction with neighbourhood has been noted to be an important factor of housing satisfaction. It includes neighbourhood facilities, such as schools, clinics, shops, community halls, etc.

Satisfaction with the neighborhood has been noted as an important factor of dwelling satisfaction<sup>7</sup> (Vrbka and Combs, 1991) to the extent that residents ignore inadequacies in the dwelling when they are satisfied with the neighborhood. Neighborhood dissatisfaction

occurs with regard to distances traveled to school by children, to employment and medical centers, and the geographical location of housing estates<sup>2</sup> (Awotona, 1991). Also, accessibility of public transportation, community and shopping facilities, and physical environment variables have been noted as predictors of neighborhood satisfaction<sup>6</sup> (Ozo, 1990).

## METHODOLOGY

The study to understand the buyers' expectation about neighbourhood facilities in the purchase of apartments was done by collecting data from buyers located in different parts of Kerala. From the literature review it was found that not many studies have been done in this domain. This justifies the study. A structured questionnaire was administered among one hundred buyers of apartments across Kerala. Respondents were selected by judgment sampling from a randomly selected list of builders in Kerala.

### Objectives

Following are the objectives set for the study

- To understand the important neighbourhood facilities expected by the buyers.
- To know the preferences of buyers regarding neighbourhood facilities.
- To identify the demographic factors that influences the expectation of neighbourhood facilities.

### Variables used for the study

Neighbourhood facilities: The sub variables included in this component are Location near to schools/ Colleges, Location near to town centre, Location near to police station, Location near to Hospital, Location near to Market, Location near to place of worship and Location near to public transportation services.

### Hypotheses

Following are the Hypothesis formulated for the study

**H<sub>1</sub>:** There is no significant relationship between Age and Expectation regarding location near to schools / colleges.

**H<sub>2</sub>:** There is no significant relationship between Gender and Expectation regarding location near to schools / colleges.

**H<sub>3</sub>:** There is no significant relationship between Gross income of the respondents and Expectation regarding location near to schools / colleges.

### Sampling

For the purpose of the study, three regions of Kerala state were considered: North, Central and south. A total of 142 buyers of Apartment across Kerala were approached. Data obtained from 100 completed questionnaires were used for the study, out of which, 40 were from South, another 40 from central and 20 from Northern region. Judgmental sampling method was used for identifying respondents.

### Data Collection and Analysis

Secondary data were collected from magazines, journals and websites. To collect the primary data, a survey was conducted. Five point Likert Scale was used in the questionnaire. Structured questionnaire was administered among 142 respondents, out of which 100 completed questionnaires were used for data analysis. Data collected were analyzed by using statistical tools such as Mean and Chi-Square Test.

### Analysis and Interpretation

Mean was calculated for each of the factor considered for the study. Hypotheses formulated were tested using Chi-Square Tests. These are included in the following section.

### Opinion about various neighbourhood facilities

The following table shows the respondents' opinion about various neighbourhood facilities in the purchase of Apartments.

### Ranking of Neighbourhood Facilities

The most important Neighbourhood facility is Location near to schools/colleges (Rank I) with a mean score of 4.39, followed by Location near to town centre with a score of 4.29. The last rank was given to Location near to place of worship with a score of 3.81.

### Relationship between Age of the respondent and Expectation of Location near to schools/ Colleges in connection with purchasing of Apartments

Hypotheses were formulated to establish the relationship between Age and Expectation regarding location near to schools / colleges.

**H<sub>0</sub>:** There is no significant relationship between Age and Expectation regarding location near to schools / colleges.

**H<sub>1</sub>:** There is a significant relationship between Age & Expectation regarding location near to schools / colleges.

Here the Chi - Square test is used for showing the relationship between the four age groups and Expectation regarding location near to schools / colleges. The result is presented in the Table No.3.

From the above table, we can see that the p value .148 is greater than the commonly accepted level of .05. The Chi - Square test proves that the hypothesis is not significant. So the null hypothesis is accepted. The Age of the respondents does not affect the Expectation regarding location near to schools / colleges.

**Relationship between Gender of the respondent and Expectation of Location near to schools/ College in connection with purchasing of Apartments**

**H<sub>0</sub>:** There is no significant relationship between Gender and Expectation regarding location near to schools / colleges.

**H<sub>1</sub>:** There is a significant relationship between Gender and Expectation regarding location near to schools / colleges.

The following table shows cross tabulation of Age of the respondents and their perception of risk on Timely handover of Villas/Apartments.

From the above table, we can see that the p value .280 is greater than the commonly accepted level of .05. The Chi - Square test proves that the hypothesis is not significant. So the null hypothesis is accepted. The Gender of the respondents does not affect the Expectation regarding location near to schools / colleges.

**Relationship between Gross income of the respondent and Expectation of Location near to schools/ Colleges in connection with purchasing of Apartments**

Hypotheses were formulated to establish the relationship between Gross income of the respondents and Expectation regarding location near to schools / colleges.

**H<sub>0</sub>:** There is no significant relationship between Gross income of the respondents and Expectation regarding location near to schools / colleges.

**H<sub>1</sub>:** There is a significant relationship between Gross income of the respondents and Expectation regarding location near to schools / colleges.

Here the Chi - Square test is used for showing the relationship between the four Gross incomes of the respondents and Expectation regarding location near to schools / colleges. The result is presented in the Table No.5.

From the above table, we can see that the p value .003 is lower than the commonly accepted level of .05. The Chi - Square test proves that the hypothesis is significant. So the null hypothesis is rejected. There is significant relationship between Gross income of the respondents and the Expectation regarding location near to schools / colleges.

**DISCUSSION**

The results are based on primary data collected from 100 respondents located in different regions of Kerala. Mean and Chi - Square were used for analyzing the data. The relationships between perception of neighbourhood facilities and various demographic variables such as Age, Gender and Economic background were analyzed. Most preferred Neighbourhood facility is Location near to schools / colleges, followed by Location near to town centre. There is significant relationship between Gross income of the respondents and the Expectation regarding location near to schools / colleges.

**Implications of the study**

This study has focused on perception of buyers of apartments in Kerala about Neighbourhood facilities. There are a number of other factors which would influence their buying decisions. It is desirable for builders to know about the preferences of buyers of apartments and the factors influencing their buying decisions. This would help them to design and develop projects so as to satisfy the needs and expectations of buyers and to devise effective marketing plans. These insights can be used for planning effective marketing strategies also.

**Table No.1: Respondents' opinion about various neighbourhood facilities**

S.No	Factor	No of Respondents = 100				
		VI5	I4	N3	U2	VU1
1	Location near to schools/ Colleges	48	45	5	2	0
2	Location near to town centre	45	45	4	6	0
3	Location near to police station	21	54	14	10	1
4	Location near to Hospital	31	59	7	3	0
5	Location near to Market	28	50	15	7	0
6	Location near to place of worship	20	54	15	9	2
7	Location near to public transportation services	34	54	9	2	1

Source: Survey Data

VI – Very Important, I – Important, N – Neutral, U – Unimportant, VU – Very Unimportant

**Table No.2: Respondents' preference for Neighbourhood Facilities**

S.No	Neighbourhood Facilities	Mean	Rank
1	Location near to schools/ Colleges	4.39	1
2	Location near to town centre	4.29	2
3	Location near to public transportation services	4.18	3
4	Location near to Hospital	4.18	3
5	Location near to Market	3.99	4
6	Location near to police station	3.84	5
7	Location near to place of worship	3.81	6

Source: Survey Data

**Table No.3: Age \*Expectation regarding location near to schools / colleges**

S.No	Age	Expectation regarding Location near to schools/ Colleges					Total
		VI	I	N	U	VU	
1	21 - 30	18	17	3	0	0	38
2	31 - 40	13	14	0	1	0	28
3	41 – 50	12	6	2	1	0	21
4	Above 51	5	8	0	0	0	13
5	Total	48	45	5	2	0	100

Source: Survey Data

**Table No.4: Chi-Square Tests**

S.No		Value	df	Asymp. Sig. (2-sided)
1	Pearson Chi-Square	104.018 <sup>a</sup>	90	.148
2	Likelihood Ratio	81.367	90	.731
3	Linear-by-Linear Association	5.823	1	.016
4	N of Valid Cases	100		

Source: Survey Data

**Table No.5: Gender \*Expectation regarding location near to schools / colleges**

S.No	Gender	Expectation regarding Location near to schools/ Colleges					Total
		VI	I	N	U	VU	
1	Male	27	29	4	2	0	62
2	Female	21	16	1	0	0	38
3	Total	48	45	5	2	0	100

Source: Survey Data

**Table No.6: Chi-Square Tests**

S.No		Value	df	Asymp. Sig. (2-sided)
1	Pearson Chi-Square	3.833 <sup>a</sup>	3	.280
2	Likelihood Ratio	4.494	3	.213
3	Linear-by-Linear Association	.928	1	.335
4	N of Valid Cases	100		

Source: Survey Data

**Table No.7: Gross income \*Expectation regarding location near to schools / colleges**

S.No	Gross income(per month)	Expectation regarding Location near to schools/ Colleges					Total
		VI	I	N	U	VU	
1	Below Rs. 25,000	8	8	0	1	0	17
2	Rs. 25,001 – 50,000	19	20	2	0	0	41
3	Rs. 50,001 – 1,00,000	10	10	3	1	0	24
4	Rs. 1, 00,001 – 5,00,000	7	5	0	0	0	12
5	Above 5, 00,000	4	2	0	0	0	6
6	Total	48	45	5	2	0	100

Source: Survey Data

**Table No.8: Chi-Square Tests**

S.No		Value	df	Asymp. Sig. (2-sided)
1	Pearson Chi-Square	33.969 <sup>a</sup>	15	.003
2	Likelihood Ratio	36.025	15	.002
3	Linear-by-Linear Association	.438	1	.508
4	N of Valid Cases	100		

Source: Survey Data

## CONCLUSION

This study contributes to a better understanding of the expectations of buyers of Apartments in Kerala, about neighbourhood facilities. It is seen that buyers have a higher level of preference on factors such as location near to educational institutions, location near to town centre, garbage collection, cleanliness etc. Builders in Kerala can take into consideration the findings of this study, while deciding the location and design of apartments. This understanding will lead to better predictions in the real estate market and hence builders can devise marketing strategies with a better insight about the buyer needs and expectations.

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## CONFLICT OF INTEREST

We declare that we have no conflict of interest.

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