Analyzing Factors Influencing Purchase Intention For Residential Property Developer With Reference To Chennai City

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ABSTRACT

There is a high demand for residential real estate because of India's 12,75 million backlog in 2020, which indicates that 12,75 million families do not own a home. Numerous residential real estate firms cater to the low-income market. One of them, a residential property developer for whom the author conducts research, is among the residential property firms currently facing a drop in sales. They sell homes in Chennai's low-income neighborhood. Therefore, this segment's purchasing power decreases when a pandemic strikes. They prioritize purchasing necessities like food and drink, delaying the purchase of a home until their economy improves. In this case, the business needs to either modify the product to remain affordable for this market segment or change the market segment to target new potential customers. According to initial research, the author discovered that people are increasingly using online channels instead of offline ones when looking for a home. Finding the elements that affect residential property company home sales and boosting home product sales are the goals of this study. Both qualitative and quantitative methods are used in this study. The business owner and employees were interviewed as part of the qualitative method used in the initial research. The quantitative approach used in questionnaires given to prospective clients. 200 respondents were selected for the study's sample using non-probability sampling. A five-level Likert scale, which represents an interval scale, will be used in the survey. Validity tests, reliability tests, and hypothesis testing with SPSS are the data analysis techniques that are employed. According to the study's findings, purchase intention is significantly influenced by product attributes, online and social media marketing, sales promotion, and advertising.

Keywords: Advertising, Online and Social Media Marketing, Product Attributes, Purchase Intention, Sales promotion

INTRODUCTION:

For living purposes or simply as an alternative investment, everyone needs a home. Susenas data indicates that Chennai has a 12.75 million backlog. This indicates that 12.75 million families lack a home. This fact indicates that there are numerous demands for residential real estate. This figure will also rise due to the estimated 700,000–800,000 new families that are created each year. On the other hand, the real estate industry contributes up to 60.5% of the GDP. 96.9% of the total national employment absorption is also a factor in employment absorption. Thus, the Indian economy depends heavily on the real estate sector. Many sectors are affected when a pandemic strikes. With residential property construction accounting for 87.4% of the total, construction is one of the most affected industries in India. One of the Chennai-based residential real estate firms the author studied was categorized as a medium-sized business. To promote their product, they have a residential property project that focuses on low-income individuals. Particularly in Chennai, a sizable portion of the population is low-income. Chennai is home to 270 million people, making it an intriguing target market for numerous businesses. However, as this virus spreads, the economy deteriorates,

with low-income individuals being the most affected. This requires more attention in light of the data showing that the pandemic has had a major impact on the real estate industry and the facts observed by researchers in the field after speaking with a property industry employee who reported that their sales have dropped in comparison to pre-pandemic levels. People are unable to move around easily due to the pandemic, as is well known. Therefore, the business must modify its marketing plan to accommodate this circumstance. Many marketing initiatives are unable to be carried out due to Chennai's regulations that restrict public activity. Additionally, they are unable to set up exhibition booths in public areas to draw customers and encourage purchases. Additionally, they are unable to use brochures to promote the product because many people choose not to enter public areas. According to the findings of the interviews I conducted, their sales' primary issue was that they fell short of the goal and showed a downward trend. They added that reaching the potential market is challenging. The pandemic era is over, and as the economy improves, people's purchasing power increases. To take advantage of this chance, the business must employ the best marketing plan possible to connect with potential clients and reverse the sales decline. The property developer

needs to understand the elements that affect consumers' intentions to buy in order to boost sales of their product. They can then use that information to develop a marketing plan that successfully reaches the intended audience.

Business Issues

Sales have decreased since the pandemic era, according to the business owner's interview. The final six months of 2020 saw the largest decline. According to the interview, the company has not met its sales goal for several months. This trend has the potential to increase the company's risk and result in financial losses. Since they still have to pay the bank for the capital loan to construct the property project, sales are declining as fewer customers purchase the property. Finding the underlying cause of this must be a priority for the author and stakeholders, as a decline in sales can significantly affect the company's ability to survive. It is essential to comprehend the fundamental causes of declining sales in order to create a marketing plan that can be used to boost sales and advance the business.

In addition to using offline advertising tools like billboards and brochures to market their business, this property developer sells their goods through B2CChannel. However, they did not engage in online advertising through social media or house marketplaces. They didn't do the online promotion since they lacked the skills and expertise to begin using this kind of advertising. The author further investigates the marketing and sales division based on the symptoms. They believed that the company's inability to reach potential customers was the reason it struggled to meet its sales goals. According to the author, post-pandemic circumstances cause people to alter their behavior and look for information about properties. Additionally, millennial, who may have different product preferences and are more internet-savvy, now make up the majority of first-time residential property buyers. This will force this generation to spend most of their time online and on social media. The author conducted preliminary research with five current and five potential customers in order to gather more information. According to the author's initial research, consumers are increasingly turning to online advertising over offline forms of advertising when they are looking for information about residential properties. Additionally, the author discovered that prospective clients prefer the property company's discounts, which fall under the category of sales promotions. Additionally, the author discovered that the prospective buyer has a better design, which falls under the category of product attributes. Based on this early research, the author believes that product attributes, online and social media marketing, sales promotion, and advertising are the elements that could influence potential customers' purchase intentions. These initial research findings will need to be refined and validated through additional investigation and analysis. Understanding the purchase intention factor will boost the likelihood that real estate company housing products will be sold. In order to thrive in this new environment, the business can also alter its target market.

METHODOLOGY

According to the goals to be accomplished, this study falls under the category of applied research since it seeks to address the issues facing the business. The approach is cross-sectional in terms of time. Cross-sectional data collection involves gathering information on multiple variables simultaneously. A series of questions pertaining to multiple items taken simultaneously were used to collect the data. To determine the relationship between independent and dependent variables, the data will be quantitatively tested and analyzed using SPSS software.

There are 200 responders in the sample size for this study. The sample must meet certain criteria in order to be selected from the population because the sample is taken using the judgment sampling method. The requirements include being in Chennai, having an income between 4 and 10 million rupiah, and being interested in purchasing residential real estate. A Likert scale with five interval levels will be used in the survey. One test to determine whether the measuring device is appropriate for the variables in the study is validity. Thirty respondents will complete the questionnaire, and the data's Pearson correlation score will be examined as part of the validity test.

The questionnaire is valid if the r count is greater than the r table. Thirty respondents with a 5% confidence level have a r table of 0.361. Reliability testing indicates consistency and stability with concept-measuring tools and aids in determining whether a measure is accurate. The coefficient alpha method will be used to perform the reliability test. The average of all potential split-half coefficients resulting from various splitting of the scale item is the coefficient alpha, which is a measure of internal consistency reliability. 200 respondents will receive the questionnaire once the validity and reliability tests have been completed, and the author will then use multiple linear regressions to test the hypothesis.

Table 1: Variable and Question for Questionnaire

Variable	Item Question
Advertising	1. I feel that property advertising on billboards is interesting for me. (ADV_1)
	2. I feel that property advertising in print media is interesting for me. (ADV_2)
	3. I feel that real estate advertising on television is interesting for me. (ADV_3)
	4. I feel that real estate advertising on the radio is interesting for me. (ADV_4)
Sales Promotion	1. I feel that discount or cashback is interesting for me. (SP_1)
	2. I feel that low mortgages is interesting for me.. (SP_2)
	3. I feel that free gifts or products are something that interests me. (SP_3)
Online & Social Media Marketing	1. I feel that property advertising on social media is interesting for me. (OSM_1)
	2. I feel that property advertisements on the company's website are of interesting for me. (OSM_2)
	3. I feel that property advertising on the property marketplace platform is what interests me. (OSM_3)
Product Attributes	1. Home design is important to me. (PA_1)
	2. The number of floors in a house is important to me. (PA_2)
	3. The building area size of the house is important to me. (PA_3)
	4. The land area size of the house is important to me. (PA_4)
Purchase Intention	1. I want to live in a residential area that has a centralized water system. (PI_1)
	2. I want to buy a house in a residential area that has a centralized water system in the future. (PI_2)
	3. I am planning to buy a house in a housing estate that has a centralized water system. (PI_3)

RESULT AND DISCUSSION

A. Validity Test

One test to determine if the measuring device is appropriate for the variables in the study is validity. The questionnaire is valid if the r count is greater than the r table. The r table is 0.36 with n = 30 and a significance level of 5%.

Table 2: Validity Test

Variable	Item Question	Pearson Correlation	Description
Advertising	ADV_1	0.711	Valid
	ADV_2	0.732	Valid
	ADV_3	0.697	Valid
	ADV_4	0,718	Valid
Sales Promotion	SP_1	0.734	Valid
	SP_2	0,722	Valid
	SP_3	0,778	Valid
Online & Social Media Marketing	OSM_1	0.750	Valid
	OSM_2	0,770	Valid
	OSM_3	0,757	Valid
Product Attributes	PA_1	0.765	Valid
	PA_2	0,574	Valid
	PA_3	0,884	Valid
	PA_4	0,704	Valid
Purchase Intention	PI_1	0,900	Valid
	PI_2	0,956	Valid
	PI_3	0,922	Valid

Based on the result above, all indicators in each variable are valid.

B. Reliability Test

The average of all potential split-half coefficients resulting from various splitting of the scale item is the coefficient alpha, which is a measure of internal consistency reliability. In general, unreliable data is indicated by a coefficient of 0.6 or less.

Table 3: Reliability Test

Variable	Cronbach's Alpha Score	Description
Advertising	0,677	Reliable
Sales Promotion	0,693	Reliable
Online & Social Media Marketing	0,612	Reliable
Product Attributes	0,677	Reliable
Purchase Intention	0,917	Reliable

Based on the result above, all indicators in each variable are reliable.

C. Multiple Linear Regressions

1) R-Square

Table 4: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,735ᵃ	,540	,530	1,20175

a. Predictors: (Constant), Product Attributes (X4), Advertising (X1), Sales Promotion (X2), Online & Social Media Marketing (X3)

According to the above table, the dependent variable in this instance is advertising (X1), followed by sales promotion (X2), online and social media marketing (X3), and product attributes (X4), which together account for 54% of the dependent variables in this instance, which is purchase intention (Y). The R Square is 0.540. There are other factors that are not covered in the research model, as evidenced by the remaining 46% that cannot be obtained or presented using this model.

2) F-Test

Table 5: Anova

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	329,962	4	82,490	57,119	,000ᵇ
	Residual	281,618	195	1,444		
	Total	611,580	199			

a. Dependent Variable: Purchase Intention (Y)

b. Predictors: (Constant), Product Attributes (X4), Advertising (X1), Sales Promotion (X2), Online & Social Media Marketing (X3)

According to the above table, the F test for this study is displayed in this anova table. As we can see, the F count is 57.119, which is greater than the F-table (4.196), and the significance is 0—which is less than 0.05. We can conclude that independent variables (X1, X2, X3, and X4) have a positive impact on independent variable (Y) at the same time if we look at the criteria used for decision-making.

3) T-Test

To ascertain whether the independent variable has a partial impact on the dependent variable, this test will be employed. The following criteria are used to decide whether the hypothesis is correct: If the sig t table value is positive, then the independent variable has an impact on the dependent variable.

There is no influence of the independent variable on the dependent variable if the sig value is greater than 0.05 or the t count is less than the t table. The data that will be utilized for this test is displayed below:

0.05 is the confidence level/alpha.

200 is the sample size (n).

There are four independent variables (k).

T-table score = 1.9722 (0.025,195)

Table 6: Coefficient

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	,852	,863		,988	,324
	Advertising (X1)	,093	,039	,143	2,417	,017
	Sales Promotion (X2)	,157	,077	,160	2,035	,043
	Online & Social Media Marketing (X3)	,334	,077	,354	4,326	,000
	Product Attributes (X4)	,208	,069	,203	2,993	,003

a. Dependent Variable: Purchase Intention (Y)

Based on the outcome of the independent variable's partial influence on the dependent variable, as shown in the above table. The variables advertising (X1), sales promotion (X2), online and social media marketing (X3), and product attributes (X4) were found to have p values of 0.17, 0.43, and 0.003, respectively. Additionally, the t-count for product attributes (X4) is 2.993, online & social media marketing (X3) is 4.326, sales promotion (X2) is 2.035, and variable advertising (X1) is 2.417. The t-table is 1.9722 as well. The dependent variables are then somewhat influenced by each independent variable.

4) Hypotheses Testing

Based on the T-Testing the summary of hypothesis testing will be shown below:

Table 7: Hypothesis Testing Summary

Hypothesis	Description
H1	Advertising has a positive influence on Purchase In
H2	Sales promotion has a positive influence on Purcha
H3	Online & Social Media Marketing has a positive in
H4	Product attributes have a positive influence on Pur

Based on the result above, all hypotheses are accepted.

RECOMMENDATION

Theoretical Implication - There aren't many literature reviews on Chennai's residential real estate market. The author of this study discovered that the purchase intention is correlated with online and social media marketing, sales promotion, and advertising, all of which are components of the marketing communication mix. In the context of residential real estate, product attributes also affect the intention to buy. Additionally, this study contributes by providing empirical data regarding the variables influencing residential housing purchase intentions, specifically in Chennai.

For Managerial Implication - The developer of residential real estate must enhance their advertising and sales promotion strategy since it will influence consumers' intentions to buy, which will boost their product's sales. In order to more successfully reach the millennial generation, the business must also engage in online and social media marketing. Because the millennial generation is the residential property's target market. The business must also enhance the qualities of its products. Enhancing their public facilities is one of them.

For Future Research - The number of respondents and the restricted variables in the research model are the study's limitations. Due to the fact that the majority of these research participants are from Chennai, the study's conclusion is limited to one Chennai-based company. Last but not least, the study's duration is brief and limited to a single point in time, which may allow it to be corrected only now. Future researchers can identify the study's factors by employing a larger sample size, a different sampling technique, and a wider range of responses. The research variables under consideration can be more varied in order to raise the proportion of phenomena that the research model can explain.

CONCLUSION

Despite Chennai's high and growing demand for residential real estate, residential properties must adapt their business models to meet the demands of the market. Additionally, they must develop marketing plans that target potential clients. The business must enhance its advertising and sales promotion strategy in order to boost sales. In order to reach more target markets, it is also necessary to venture into online and social media marketing. This is because, while traditional advertising still influences purchase intentions, the impact of online channels is greater. Finally, businesses must enhance the features of their residential housing products. This is due to the fact that product attributes, online and social media marketing, sales promotions, and advertising all affect consumers' intentions to buy. The likelihood of selling products will rise if there is a high level of purchase intention

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