

## **A STUDY ON FACTORS RELATING TO CONSUMER ATTITUDE AND CONSUMER PURCHASE INTENTION IN REAL ESTATE SECTOR: AN EMPIRICAL APPROACH**

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### **Abstract**

Consumers are dynamic when it comes to their preferences and demanding concerning choices. The overall situation can be truly represented by VUCA – Volatile, Uncertain, Ambiguous and Complex. That said, research is essential to understand renewed intentions of consumers with reference to high ticket purchases such as automobiles, real estate and so forth. Variables such as trust, message process involvement, word of mouth, and traditional media were largely significant in measuring consumer attitude. In this study we attempt to include social media as an additional factor in determining consumer attitude. Social media marketing and social media by its own is becoming a great influencer. In fact, word of mouth construct is getting subsumed into the broader phenomenon brought about by social media. Convenience sampling was adopted to collect 68 responses from prospective purchasers and those who have recently purchased property in and around Bangalore City. The findings reveal a significant relationship between social media, trust, word of mouth and message process involvement with consumer attitude and purchase intention. It is further suggested companies and organizations both profit and non profit must stay invested on social media in order to bring a positive and favourable awareness among people who consume their product, goods and services. And also, the social media management is critical to maintaining favourable perception with the public.

*Key Words: Consumer Attitude, Word of Mouth, Purchase Intention, Social Media*

## I. INTRODUCTION

Real Estate is an important sector, almost a growth engine for any economy. It has been so for many years across the world. Global capital markets depend on robustness of real estate markets. In fact most of growth elsewhere is directly correlated and computed on bases on growth of real estate sector. Housing, retail, hospitality and commercial are sub sector of real estate industry. In India, construction industry ranks 3<sup>rd</sup> among other industry when it comes to contribution to public exchequer in terms of direct and indirect taxes.

Housing, office spaces and Warehousing requirements are expected to push real estate sector northwards. Around 10 Bn US\$ market revenue is expected of real estate sector by 2030. There are few advantages for India to become a centre of booming real estate sector. Firstly, India post – pandemic will find robust investments in real estate and property markets. Secondly they will attract new opportunities in education, healthcare, e-commerce and logistics segments. There is positive policy climate where Government has allowed up to 100 percent for township settlement and developments. Finally, there is also an increased investment where close to 6 Billion US\$ investment was witnessed during 2019.

Younger generation and millennials are resorting to virtual forums to make decisions on investment. The same is being applicable to high capital investment such as purchase of ornaments, automobiles and property. Moreover Real Estate Regulatory Authority (RERA) has imposed some restrictions that safe guard consumer interest as well make procedures more formal and systematic. However, there is silver lining to this state of dormancy. Residential property units' sales have picked up and grown 34 percent as compared to previous year during July-September, 2020. Extraordinary sales have been witnessed in the National Capital Region (NCR) as somehow this region has bucked nationwide trend of decline in sales of property units. Bengaluru has also seen a considerable activity soon after lock down in June/July, 2020.

## II. REVIEW OF LITERATURE

### Purchase Intention

Studies have been conducted on purchase intention of consumers, so as to ascertain their inclination to purchase. Price, product information, quality and value deliverable are considered important factors in deciding purchase (**Chang, T. Z., & Wildt, A. R. 1994**). We see online purchase options as fast catching imagination of consumers and are becoming a reality of future purchase. Environmental cues contribute to factors favouring intention to purchase especially among online buyers. Web page quality and web page brand alongside trust and perceived risk in associating with the transaction matters a lot before consumers displaying their intention (**Chang, H. H., & Chen, S. W. 2008**). Luxury brands are not far behind when it comes to selling online. However purchase intention is based on host of other factors such as individual perception, social context, vanity and others (**Iglesias, et al, 2011**). Individual characteristics- which is the need for uniqueness and self image and value derived from brand association across cultures seems to be

applicable. Social function attitudes towards luxury brands positively affect purchase intention through an affective attitude (**Bian, Q., & Forsythe, S, 2012**).

**Kim, H. Y., & Chung, J. E. (2011)** explores the idea of purchase intention for organic care personal products. Using the theory of planned behaviour, it attempts to express consumer values and past experiences factored into purchase intention of self care products. Further, this is moderated by attitude-intention relationship. However, right from the beginning days of e-commerce and online buying, trust and security has been a challenge. Perception issues with security, shoppers concern of fraud and cheating has been hard to totally cure (**Salisbury, W. D., Pearson, R. A., Pearson, A. W., & Miller, D. W. 2001**).

### **Consumer Brand Attitude**

**Chang, P. L., & Chieng, M. H. (2006)** studies from an experiential point of view consumer brand relationship. It is a compendium of brand association, brand personality, brand attitude and brand image mapping of consumer brand attitude. Consumer brand attitude concerns itself with effect of involvement-classified as high or low, affective or cognitive typology (**Park, C. W., & Young, S. M. 1986**). Effects of brand attitude have been tested against various industries and across several constructs. **Augusto, M., & Torres, P. (2018)** explores e-word of mouth and referrals in the banking industry and they are influenced or mediated through consumer brand identification and brand equity. Consumer brand attitude plays an influential role in improvising willingness to pay more when it comes to consumer offerings. The idea of brand attitude improvisation stops not just on word of mouth and internal referral but also is influenced through brand logos and self construal. Design of logos and perceptual construal of brand image has began to play a significant role in establishing recalling value of brand (**Walsh, M. F., Winterich, K. P., & Mittal, V. 2011**)

### **Trust and Brand Attitude**

There is a common and linear relationship between brand images, brand affect and brand trust on brand extension. Brand image, trust and affect correlate positively with brand attitude, further brand loyalty tends to mediate relationship between image, trust and attitude (**Anwar et al, 2011**). Brand experience significantly moderates character and trust on brand attitude. Consumer brand experience directly affects and results in favourable attitude for consumers who carry a better comprehension of brand existence (**Garretson, J. A., & Niedrich, R. W. 2004**). There is an effect diagnosed from the perspective of brand personality on brand relationship, attitude and purchase intention. The constructs were tested against brand community (**Lee, H. J., & Kang, M. S. 2013**)

### **Word of Mouth and Brand Attitude**

**Wu, P. C., & Wang, Y. C. (2011)** explores influences of word of mouth particularly happening around word of mouth message appeal and its credibility on brand attitude. Message source theory examines influence of brand trust, affection and purchase intention on credibility of brand. There is effect of monetary and non monetary incentives on word of mouth and brand attitude. Word of

mouth campaigns are incentivised through monetary and non monetary means creating space for brand trust and brand recommendation, resulting in building of brand attitude (**Pongjit, C., & Beise-Zee, R. 2015**).

### **Social Media and Brand Attitude**

**Abzari, M., Ghassemi, R. A., & Vosta, L. N. (2014)** analyses effect of social media impact on brand attitude formation. Both traditional media and social media on a right mix bring about tremendous influence on consumer minds creating a positive attitude. However, effectiveness of traditional media alone is lesser as compared to a judicious mix of social media messaging. And brand attitude is having a major impact on purchase intention. Social media messaging also helps in averting a brand crisis or change of brand image (**Pace, S., Balboni, B., & Gistri, G. (2017)**). Most of the modern companies are entering a mid life crisis. They have lost sheen of initial tempo and striving to hit new gold. While things are going to be catastrophic, impact can be lesser with sufficient communication of same to consumers through rightful branding and social media usage.

### **Social Media and Purchase intention**

Social media such as Facebook and Twitter have been effective in creating intention to purchase. Mostly these are mentioned as e-word of mouth and have larger influence than conventional word of mouth. E-WOM has impact not just on building consumer brand attitude but also on intention to purchase (**Kudeshia, C., & Kumar, A. 2017**). There is an axis of relationship between community experience, commitment, brand attitude and intention to purchase on social media. Enterprises are integrating brand entertainment, brand community experience and social information. Community commitment helps cultivate positive brand attitude resulting in consumer purchase intention (**Wang, X. W., Cao, Y. M., & Park, C, 2019**). Extant literature speaks volumes on impact on social media advertising features on consumer purchase intention. Social media platforms are being widely used for marketing and advertising activities. Though it has been found that social media designs are effective as compared to traditional and conventional designs, these are not without challenge. Organizations find trouble in designing right and effective advertising banners and strategies for promotion (**Alalwan, A. A, 2018**)

## **III. RESEARCH METHODOLOGY**

Descriptive research design is adopted and a survey based questionnaire constructed for collection of data. Using a convenience sampling- samples were collected from over 70 respondents. Those who had recently purchased and potential prospects for purchase of property were considered as study's sample frame.

### **The Research objectives are:**

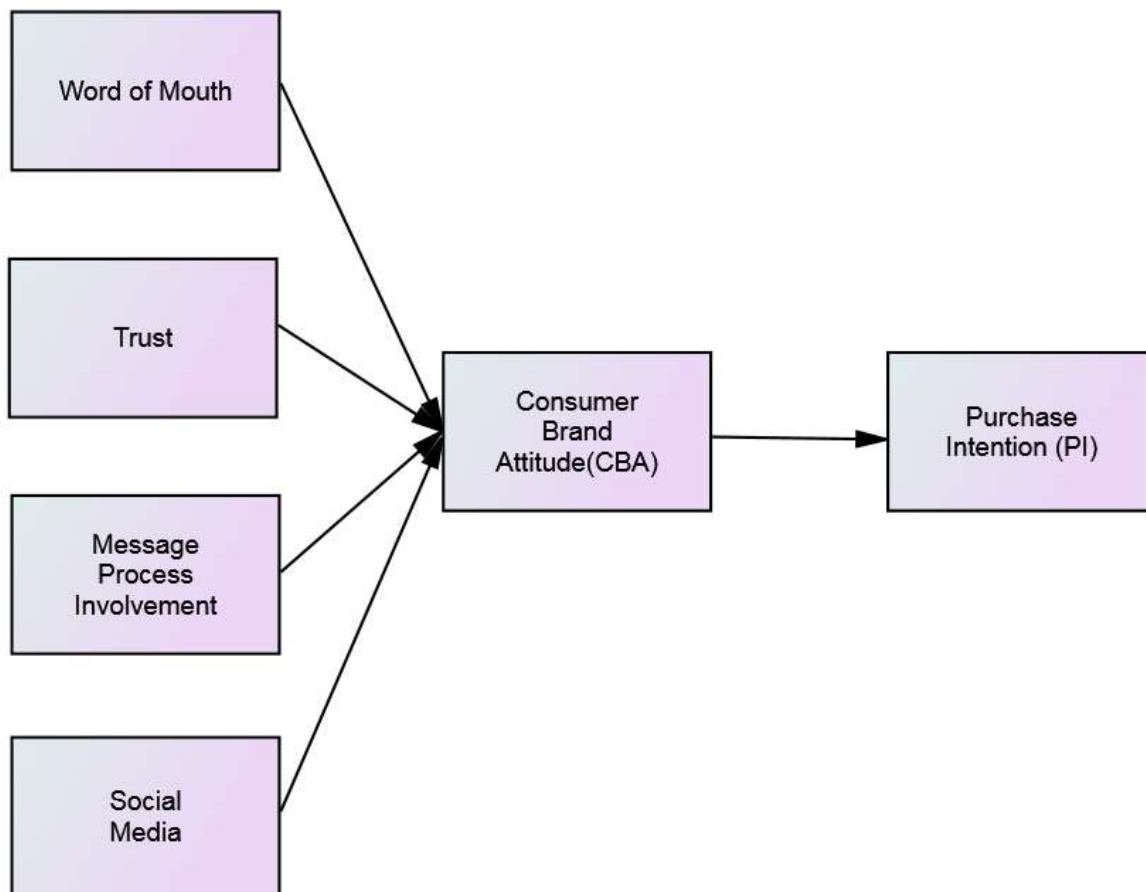
1. To assess the overall situation and dynamics of real estate sector

2. To analyse role of social media in construed framework in creating a favourable consumer attitude.

### Proposed Hypothesis

1. H1: Word of Mouth has a significant impact on Consumer Brand Attitude
2. H2: Trust has a significant impact on Consumer Brand Attitude
3. H3: Message Process Involvement has a significant influence on Consumer Brand Attitude
4. H4: Social Media significantly influences Consumer Brand Attitude
5. H5: Consumer Brand Attitude significantly affect Purchase Intention

### Conceptual Framework: Factors influencing Consumer Brand Attitude and Purchase Intention.



The various factors in conceptual framework are purchase intention, attitude, social media and trust. Sub-items of purchase intention are measured through value and benefits, firsthand experience and brand options (Jay Trivedi, 2017). Attitude is processed and measured by brand message, brand credibility and attitude choices (Abzari, Ghassemi and Vosta (2014) and social

media by media information, feedback and review and reliability of information. Trust among is captured through accuracy of information and security (Tabbasum, Neelam gul choudhary, Khaldoon Nusair, 2016). Word of mouth effectiveness dealt through product characteristics, nudge purchases and brand advisory. And finally message process involvement through brand content and message intent.

#### IV. DATA ANALYSIS

The data is analysed for reliability and means comparison. Further regressions equation has been constructed keeping Intention to purchase as a dependent variable and measuring it with other variables such as consumer brand attitude, word of mouth, trust, message process involvement and social media. Convenience sampling was deployed and respondent sample collected through Google forms. Data was purified for missing values and other errors. In so far as demographic variables, we have analysed by comparison of means. Profile of 72 respondents was taken into consideration that has recently purchased a residential apartment in Bangalore both urban and rural included. According to table 1, we can say that 38% of respondents have been females and 62% are male respondents. This shows the rising consumerism among women particularly with respect to capital purchase. Almost all the respondents are graduates and most of them fall under 35-45 years of age bracket. There is a bit of skewness when it comes to location, as majority of our respondents are from Bangalore Urban and about 10 % are from Bangalore rural.

**Table 1**

**Profile of Respondents**

Variable	Categories	Frequency	Percentage
Age	25-35	21	30
	35- 45	33	50
	>45	18	20
	Total	72	100
Education	UG	27	38
	PG	43	60
	Others	02	02
	Total	72	100
Gender	Male	45	62
	Female	27	38

	Total	72	100
Location	Bangalore –Urban	65	90
	Bangalore-Rural	07	10
	Total	72	100
Marital Status	Married	58	81
	Unmarried	14	19
	Total	72	100

**Table 2**

**Summary of Test for Demographics**

<b>t-test and One Way ANOVA</b>		
Variable	t-test / Anova	Significance
Age	F=23.365	0.007**
Education	F=18.846	0.063*
Gender	t=8.311	0.001**
Location	t=6.623	0.032*
Marital Status	t=6.788	0.448 <sup>NS</sup>

Note: \* Sig. at 0.05

\*\* Sig. at 0.001

NS – Not Significant

According to the Table 2: summary of demographics and comparison of mean, we find that Age, Education, Gender and Location are having significant influence over decision making, also influencing behaviour, and attitude and as a result intention to purchase. In this study it is rather highly important as purchase is capital investment that involves many years to repayment and continuous flow of income. From a family point of view it is a strategic decision to invest and purchase. Thus many variables such as age of prospect, education levels, gender and location has a reasonable influence. However, marital status does not seem to have a significant score. Reason could be, when it comes to marital status-in so far as purchase of housing property is concerned; it is still viewed in many developing countries as a basic necessity. Hence there appears no change in behaviour and both the partners seem to agree on decision made to purchase in a unanimous fashion.

**Table 3**

**Reliability Assessment**

Variables	Cronbach Alpha	Items
Purchase Intention (PI)	0.833	06
Consumer Brand Attitude (CBA)	0.871	06
Word of Mouth (WoM)	0.762	03
Trust	0.89	08
Message Process Involvement (MPI)	0.69	05
Social Media	0.754	03

As per Table 3 for reliability of instrument assessment, we can deduce that Trust is a seasoned construct. When it comes to behaviour trust plays an important role in deciding whether it is positive and accommodative or negative and indifferent. This is no different in case of house property purchases-particularly at a time when investments stretch for more than 10 years or so. Except for message process involvement which deals with analytical cognisance of respondent; all others have equally responded for items. Social Media is somewhere between established constructs and Message processing as it is an evolving construct.

**Table 4**

**Summary of Hypothesis Testing**

Hypothesis	Variable	Std. Beta	Significance	Result
H1	WoM → CBA	0.433	0.000	Support
H2	Trust → CBA	0.205	0.000	Support
H3	MPI → CBA	0.448	0.042	Support
H4	SM → CBA	0.119	0.039	Support
H5	CBA → PI	0.360	0.000	Support

Note: Significant at 0.05

In connection to the figure 1 on conceptual framework, we see that all paths are significant. Retaining Purchase Intention as dependent variable other variables have been tested for as independent variables. Word of Mouth, Trust, Message process involvement, Social media and Consumer Behaviour attitude are treated as dependent variable. Message process involvement and Word of Mouth have stronger influence on Consumer behaviour attitude. Social media has a lower beta value-could indicate a lesser influence on brand attitude. Reasons could be the unofficial or



informal nature of Social media leading to trust questions. People may still be viewing traditional advertisements on print and television as more reliable sources of information to make decisions.

## V. DISCUSSION AND MANAGERIAL IMPLICATIONS

The findings and results of this study has a wide and encompassing application with special reference to the gig economy coming of age and participating in main stream transactions involving high ticket purchase. Presently, there is narrow view of gig economy and e-commerce catering to lower value purchases and transactions. However, slowly and gradually most of these decisions are going to be made on virtual platforms. There are virtual studios to bring various aspects of product, goods and services to customers. In the age of Pandemic and social distancing, these services are more welcome. Traditional word of mouth and reference groups have transformed into e-word of mouth, influencers and web communities.

In our study, constructs such as traditional media, word of mouth, trust, social media, consumer brand attitude, message process involvement and purchase intention were connected and intertwined with one another; purchase intention as dependent variable. All paths were found to be statistically significant implying that social media must be gradually factored into main stream reach out strategies. Behaviours of consumers in high ticket purchases are also keen to take messages and be influenced by them from social media platforms.

## VI. CONCLUSION AND SCOPE FOR FUTURE STUDY

Social media platforms and campaigns on facebook, WhatsApp, Twitter and Instagram have profound impact on millennials and Z generation. Moreover gig economy services in Indian business context such as ola, OYO, Swiggy and other services are widely popular and continuing to grow exponentially. Though the pandemic might stop this growth temporarily but eventually most of the economic models must factor in online and social media platforms. The future studies may include other constructs such as traditional media – print, television advertisements and novel strategies such as surrogate marketing and so forth. Moreover, logistics and supply chain management must be intimately examined for reinforcement and change in behaviour of consumers over their buying experience.

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