

EXPLORE HOUSE PREFERENCES FOR MIDDLE-CLASS APARTMENT HOUSE IN HANOI

● DO HOAI THU - NGUYEN THI HONG HANH

ABSTRACT:

This study aims to explore the factors that affect the purchase decision of the apartment of the customers. It was conducted base on results of a research market and an investigation to evaluate the factors affecting consumer is buying decision of apartment and loyalty with a real estate brand. The study used both qualitative and quantitative methods with in-deep interviews and a questionnaire. We collected answers from 300 participants who are current and potential customers of Xuan Mai corp took part in the survey. The result of analysis shows that factors influence to behavior of customer are Quality of the house, quality of service and complete quality management and operation service of project, apartment design.

Keywords: The apartment of the customers, affecting consumer buying decision, middle-class apartment house, service.

1. Introduction

The real estate market in Vietnam is in the context of potential development. 2016 and 2017 were the year witnessed the fierce competition of the real estate market. When new types of real estate appear and develop, the demand and choice of customers increasingly strict, enterprises will have to enter the fierce competition.

The implementation of this research is aiming at two goals. The first, clarifying the factors that may affect the purchase decision of the apartment of the customers.

Characteristics of the real estate market

There is no central market: The real estate market has not formed a central market where buyers and sellers can meet and interact directly with one another. Most of all transactions are made primarily by intermediaries, real estate businesses, by media, or realtors. Due to lack of central market, it is difficult to collect market information and low reliability lead to this market ineffective. In recent

years, in Vietnam, real estate brokerage companies have been established and developed rapidly, facilitated the transactions smooth, safety and more efficient [1,2].

The real estate market is regional and locally: Because property characteristics are indestructible and difficult to separate, can not move; the abundance of this place can not offset the shortage elsewhere, so it makes the locally real estate market. On the other hand, the differences in the development level of economic, cultural, social and population densities make the demand for real estate also differ in terms of quantity, shape and quality and thereby lead to the differences in development level of a real estate market in each locality [3, 4].

The real estate market is not perfect: Because it requires a lot of directly intervention by the state, the perfect level of this market is always lower than of consumer goods market or production market and some other markets. In addition, because of non-renewable or scarcity of land, the market is

monopolistic. The information on planning, management, socio-economic related to land has not been thoroughly disseminated so that the competition in the real estate market is only implicit competition [5,6].

The real estate market is closely related to other markets: Especially financial and credit markets and to the economic development of a nation. Most of the investments come in two streams consist of investing in property or investing in financial and monetary markets. On the other hand, real estate transactions themselves often require huge capital demand.

2. Research method and results

2.1. Qualitative research

- Methods: face to face for interview. Choice of respondents: Customers have used Xuan Mai apartment or customers are looking for information to buy a house in distance 15 km from the project. Samples size: 15. Age ranging from 20 to over 45 years old.

From qualitative research, could see that the factors which effect on buying customer decision are

- Complete quality, management and operation service of project
- Location, utility, infrastructure of the project
- Reputation of investor
- Apartment price
- Apartment acreage
- Promotions, sales policies
- Reasonable apartment design

Types of apartment which meet most of customer need are:

- Apartments with reasonable acreage:
 - + 60 m² – 70 m² (2 bedrooms, 2 toilets)
 - + 45 m² – 55 m² (2 bedrooms, 1 toilet)
 - + 80 m² – 85 m² (3 bedrooms, 2 toilets)
- Apartment price:
 - + Apartment price # 1 billion VND
 - + Apartment price 1 billion VND - 1,2 billion VND
 - + Apartment price 1,3 billion VND - 1,5 billion VND

So, we should use information to find out real customers demand and arrange the important factors in the quantitative research.

2.2. Quantitative research

- Sample selection

Samples are 300 male and female customers in Ha Dong, Thanh Xuan, Dong Da, Hoan Kiem, Ba Dinh, Nam Tu Liem, etc where are near Xuan Mai Complex project (distance max about 15 km) and they have ever been used Xuan Mai house and have never used it. Their age range is from 20 to over 45 years old.

- Questionnaire

Questionnaire includes 11 questions; ask information about customers' need, their income, their job, their perception, their satisfaction, their expectation and so on. All questionnaire is checked several times before official using. The questionnaires is attached in the appendix of this project.

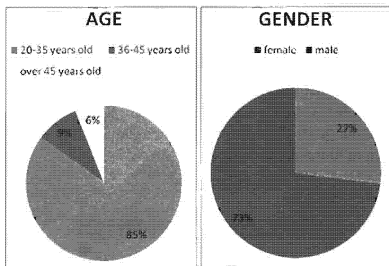
- Data Collection

Data collection to gather information by interviewing face to face and by email, by facebook. Survey team include 15 people who are my colleagues and friends and also are sale persons of Xuan Mai corp. They have a good knowledge of real estate and especially understands real estate projects of Xuan Mai Complex clearly. Members of survey team may ask some people to help to conduct the interview or send email to customers to collect information. Unqualified data was removed from sample.

2.3. The quantitative data analysis

2.3.1. Sample description

Figure 1+2: Age and gender of survey's respondents

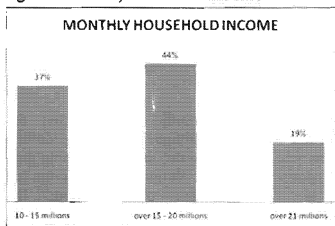


Source. Excel output

Respondents mainly work in enterprise, state agencies with 89% and customers are free labor are 11%.

• Monthly household income

Figure 3: Monthly household income

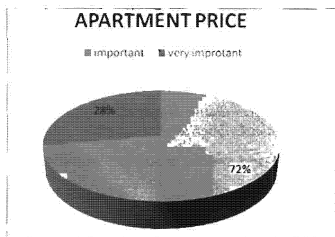


2.3.2. Factors affecting apartment buying decision of customers

• Apartment price

All respondents care about apartment price factor.

Figure 4: Apartment price



There are many types of apartment price from low price to high price. Choosing the apartment depends on financial ability each customer.

Figure 5: Apartment price

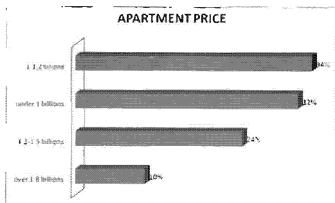


Figure 6: Apartment price by job

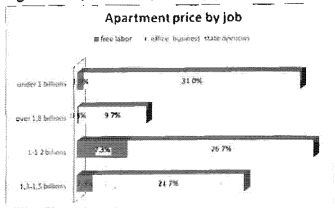
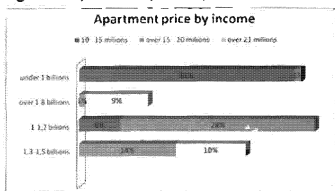


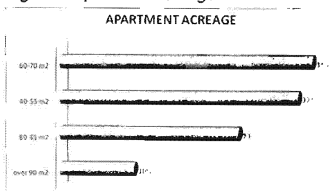
Figure 7: Apartment price by income



Most of customers choose apartments with price from under 1 billions VND to 1-1.2 billions VND.

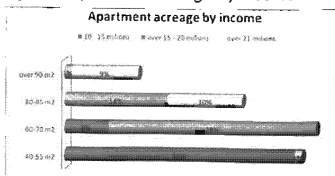
• Apartment acreage

Figure 8: Apartment acreage



Source: Excel output

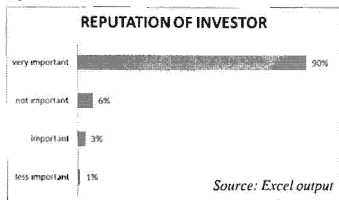
Figure 9: Apartment acreage by income



Most customers prefer to buy apartments less than 70 m².

- Reputation of investor

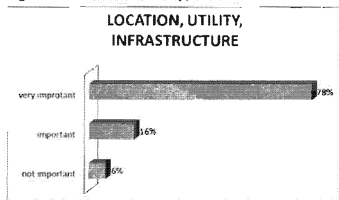
Figure 10: Reputation of investor



- Location, utility, infrastructure

Location, utility, infrastructure of the project are the important factors that customers pay attention. These factors determine the price and value of the apartment.

Figure 11: Location, utility, infrastructure



Location, utility, infrastructure are very important to 78% respondents

- Location, utility, infrastructure are important to 16% respondents
- 6% of respondents think that location, utility, infrastructure are not important

- Complete quality, management and operation service

The customer's opinion on complete quality, management, operation service factor is as follows:

- Very important: 66%
- Important: 31%
- Not important: 3%

Reasonable apartment design is one of the factors that customers are interested in buying an apartment.

Figure 12: Complete quality, management and operation service

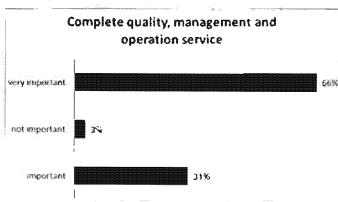
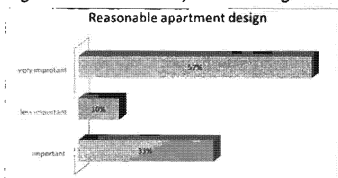


Figure 13: Reasonable apartment design



- Reasonable apartment design factor is very important to 57% customers

Reasonable apartment design factor is important to 33% customers

- Reasonable apartment design factor is less important to 10% customers

Model analysis (Regression analysis)

Data set for regression analysis has only 65 cases who use Xuan Mai's products.

Continue to use the product=1.561 - 0.246 Reasonable apartment design.

Continue to buy the product negatively influence by Reasonable apartment design. Because most of the customer in this segment are not so rich to buy many house. If they satisfy with the design of their apartment, they will not have to buy other product.

3. Conclusion

In summary, after analyzing the data collected, the main factors that customers are very interested in buying the apartment as follows:

- Apartment: 100% of customers think that the cost of the apartment is very important and important

66% of customers interested in buying apartments under 1 billion to 1.2 billion VND, area

of 60-70 m² (2 bedrooms, 2 toilets) and 40-45 m² (2 bedrooms, 1 toilet). Household income of customers are from 10 to 20 million VND per month and 57,7% of customers work office, business, etc in enterprise, state agencies

34% customers interested in buying apartments from 1.3 billion to above 1.8 billion VND, are from 80 to over 90 m² (3 bedrooms, 2 toilets). Household income of customers are from above 15 millions to above 20 million VND per month and 31,4% of customers work office, business, etc in enterprise, state agencies.

- Complete quality, management and operation service: 97% of customers are interested in these factors. The quality of the apartment is mentioned a lot on the mass media such as quality construction, fire protection, etc. In addition, customers always care about in the hand out maintenance fees of the project, management of the operation of the building when residents live.

- Location, utility, infrastructure: Today, customers buy not only to stay home, but also enjoy the convenience of living, such as: convenient

transportation location, green space, large campus, swimming pool, gym, spa, etc. 94% respondents value this factor.

- Reputation of investor: 93% of customers check reputation of investor when buying apartment. Apartment is a property formed in the future; customers often have to pay money according to the construction progress of the project. Moreover, apartments are valuable assets. Therefore, choosing a reputable investor is very important. Prestigious investors will bring to the future apartment of customers much value.

- Reasonable apartment design: 90% of customer care about apartment design. The design of the apartment depends on the area of the whole project to divide the type of apartment area. Customers like reasonable flat designs, optimize the used area.

- Promotion, sales policies: 64% of respondents are attracted by promotion, sales policies. They only help stimulate the purchase of customers faster. They are not the main factor that customers decide to buy an apartment ■

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TÓM TẮT:

Nghiên cứu này tìm ra những nhân tố có thể ảnh hưởng đến quyết định mua căn hộ của khách hàng tầm trung. Nghiên cứu dựa trên phân tích tâm lý của người tiêu dùng đối với một nhân hàng cụ thể (Xuan Mai). Công trình sử dụng cả phương pháp định lượng và định tính; dùng cả phỏng vấn và bảng hỏi để điều tra. Có 300 người tham gia điều tra là khách hàng cũ, và khách hàng tiềm năng của Tập đoàn Xuân Mai. Qua phân tích kết quả cho thấy các nhân tố như chất lượng nhà ở, chất lượng dịch vụ, quản lý chất lượng chung dự án và thiết kế căn hộ là những nhân tố có thể ảnh hưởng đến quyết định mua hàng.

Từ khóa: Quyết định mua căn hộ, căn hộ tầm trung tại Hà Nội, dịch vụ.