A STUDY ON BUYER SATISFACTION ON RESIDENTIAL FLAT PROMOTER SERVICES IN COIMBATORE CITY

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ABSTRACT

In India, real estate industry has greater prominence with the liberalization of the economy, as the consequent increase in business opportunities and labor migration led to rising demand for commercial and housing space. This sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise and/or financial resources. The objectives of study are to study growth and development of real estate and analyze perception of the buyers towards service quality of the promoters in the study area. Finally, it is to study the satisfaction level of the buyers towards the service quality of the residential flat promoters. The study analyzes the factor that affects purchase decisions of residential flat and perceptions of the respondents about the service quality of the promoters in Coimbatore city, survey method has been used to fulfill the objectives of the research. In this present study, 400 owners of residential flat were selected from the Coimbatore City. Both primary and secondary data were used. The present study has been used the tools like descriptive analysis, central tendency and ANOVA test for analyze the satisfaction level of the buyers. The promoter's quality service is providing more satisfaction to the buyers of residential flats in Coimbatore city.

KEYWORDS: *Real Estate, Residential Flats, Promoter, Growth, ANOVA.*

1. INTRODUCTION

In India, real estate industry has greater prominence with the liberalization of the economy, as the consequent increase in business opportunities and labor migration led to rising demand for commercial and housing space. This sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise and/or financial resources. Historically, the sector has not benefited from institutional capital instead, it has traditionally tapped high net-worth individuals and other informal sources of financing, which has led to low levels of transparency. This scenario underwent a change with in line with the sector's growth, and as of today, the real estate industry's dynamics reflect consumers' expectations of higher quality with India's increasing integration with the global economy. Demand for houses increased considerably whilst supply of houses could not keep pace with demand, thereby leading to a steep rise in residential capital values especially in urban areas.

The real estate business in India underwent considerable changes post the global liquidity crisis. Prior to the crisis, developers bought land with part payment and launched projects. It means regular cash flows from upfront payments was required to fund chain of projects.

The developers continued with this practice and acquired huge land parcels by leveraging their balance sheets. These challenges would be applicable to both the national or international players as the consumer preferences in India vary from one location to other and brand value in a highly competitive market would be stiff without substantial product differentiating factors. So for that reason the above factors are affecting the real estate business. This study will be helpful to draw up a further policy for improving customer satisfaction in residential flat and increase performance of the real estate promoters and will act as a secondary data for further research.

2. REAL ESTATE MARKET IN INDIA

Indian real estate has seen an unprecedented boom in the last few years. This was ignited and fueled by two main forces. First, the expanding industrial sector has created a surge in demand for offices building and dwellings. Second, the liberalization policies of government have decreased the need for permission and licenses before taking up mega construction projects. Opening the doors to foreign investments is a further step in these directions. The government has allowed FDI in the real estate sector since 2002. With increasing sophistication of the real estate market in India, the need for valuation systems and practice becomes extremely acute, particularly in this large country of sub-continental proportions. This need becomes even more important in the evolving economy of India which has embarked on the overall policy of liberalization with foreign direct investment and entry of several players in the market. Concomitantly, the mortgage housing finance market for home ownership has also been maturing in India and this present its own issues for a standardized system of valuation practice.

All these developments over the last 10 years have fuelled a lot of churn in the real estate industry. While developers, builders, finance companies, material manufacturers etc. have scaled up their operations to match global standards in terms of quality and delivery, the real estate valuation sector has remained largely orthodox, disorganized and out of date with modern practices and global standards. With the development of private property ownership, real estate has become a major area of business. Purchasing real estate requires a significant investment and each parcel of land has unique characteristics, so real estate industry has evolved into several distinct fields. Real estate can be divided into two categories via Commercial and Residential. The factors influence the price and cost of the real estate in India includes, the physical characteristics of the property, the property rights holding the property, geographical area and the development rate.

3. OPPORTUNITIES AND CHALLENGES OF INDIAN REAL ESTATE

In India, various real estate industries are growing in a marvelous way in the presence of private areas. These areas are providing housing loans towards Indians and NRIs for fulfilling their self or business purpose. In India, most of the city likes New Delhi, Bangalore, Chennai, Mumbai etc. These are main center for the business and these cities are providing more employment opportunities towards jobseekers. It is the sustained high growth rate of GDP and increasing GDP per capita in the country, providing a momentum to the Real estate demand across segments. Many things are witnessed in India for the amazing growth in this sector. The increasing rate of life expectancy, declining infant death and a high but falling birth rate in the country these situations have created a major demand for housing and infrastructure for meeting the human's primary want. An estimate shows that the present India's population is above 121crore would touch 150crore by 2030. Now a day all families are becoming nuclear family and most of the people are independent, they are able to meet their wants. For that reason higher personal savings and stronger investments, resultantly boosting the growth of real estate again.

As the Indian economy shows signs of substantial improvement, the commercial real estate industry is emerging from a transitional phase in 2010 to a recovery stage in 2011. Institutional-quality real estate assets in primary markets have begun to stabilize and appear to be poised for recovery. The future of real estate is full of challenges. In the commercial office segment, in spite of the huge demand, the developers may have to face heat from the ups and down of other sectors since this segment, in particular, is highly dependent on the performance of the Indian IT/ITES. Any unforeseen downturn in the business prospect of this industry would have a significant impact on the vacancy levels of the upcoming commercial office space stock in the country. Secondly, with the introduction of the SEZ policy, it is believed that a significant amount of the office space demand will be targeted in SEZs. However, the current SEZ policy does not allow the migration of existing units to SEZs, in case such migration becomes possible, the market will witness supply of a huge stock of un-used office space, which will lead to substantial crash in rental and capital values in the segment.

4. RESIDENTIAL APARTMENT PURCHASE PROCESS

A buyer will consider a number of factors when purchasing a residential apartment. The major factors are location, building size, type of unit, number of bedrooms, design and layout, amenities, facilities, view, density, developer reputation, promotional efforts, security, and convenience. Other attributes that may contribute to dwelling choices are workplace accessibility and environmental quality. These factors form the market value of a property. In an experiment on the determinants of buyer aspirations and reservation prices of properties. The advantages and disadvantages in these factors create buyer's motivation or demotivation in selecting a property.

Residential apartment purchase is a complex decision-making process which requires a buyer to pass through a number of steps. It starts with the requirement to identify product profiles, and then a search for information on the related profiles. The set of information gathered will consequently enable the buyer to evaluate these profiles based on certain criteria and hence, to make product choice before completing the purchase cycle with an after-sale evaluation.

At the evaluative level, product attributes required by a buyer are determined so that problems identified in real estate can be resolved and these attributes are evaluated in terms of elements, number and importance. Attribute elements include price level, design type, floor size, style presentation, extent of prestige, and image portrayal, for which a buyer considers them in combination during a purchase decision. Number relates to the total evaluative criteria considered in a particular purchase decision-making process while importance concerns the influence that each criterion has in the comparison process. The accuracy of the evaluation of product alternatives is situational. One situation is whereproduct evaluative criteria do not have any impact on product choice due to the similarity of the levels of criteria between two competing alternatives. Situational factors also affect the importance of a certain evaluative criterion. Location, for example, can be considered as an important criterion if the time factor is ignored. Having compared all the evaluative criteria for each alternative, the buyer's priority against a particular alternative is formed based on the total utility derived from the attributes that form that alternative. A low level of total utility reflects a smaller degree of importance and vice versa. This forms the basis for assessing buyer's preference in choice of attributes of real estate products.

5.ANALYSIS AMD INTERPRETATION

The residential flat promoters are essentially providing more services to the house purchasing parties. Here, the descriptive analysis has used to provide the demographic factors of the sample respondents in the present study. The researcher has used more tools and techniques to analyze the satisfaction level towards residential flat promoter services in Coimbatore city.

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Table -1 Demographic Profile of the Sample Respondents

Variables	Particulars	Frequency	Percentage
Gender	Male	**265**	**66.2**
	Female	135	33.8
Age	Below 18 years	8	2.0
	18-30 years	**172**	**43.0**
	30 - 40 years	120	30.0
	Above 40 years	100	25.0
Marital Status	Single	36	9.0
	Married	**364**	**91.0**
Educational Qualification	Schooling	24	6.0
	Graduation	96	24.0
	Post Graduation	104	26.0
	Professional Degree	**160**	**40.0**
	Others	16	4.0
Occupation	Student	12	3.0
	Employed	**248**	**62.0**
	Business	124	31.0
	Retired	16	4.0
Monthly Income	Below Rs.10,000	44	11.0
	Rs.10,001-30,000	**216**	**54.0**
	Rs.30,001-50,000	100	25.0
	Above Rs.50,000	40	10.0
No. of Members in Family	Below 2 Members	8	2.0
	2-4 Members	124	31.0
	4-5 Members	**188**	**47.0**
	Above 5 Members	80	20.0
No. of Earning Persons in Family	1 Person	16	4.0
	2 persons	132	33.0
	3 persons	108	27.0
	Above 3 persons	**144**	**36.0**
Year of Purchasing Flat	Below 2 years	52	13.0
	2-4 years	44	11.0
	4-5 years	**224**	**56.0**
	Above 5 years	80	20.0
Source of Finance	Own savings	52	13.0
	Loan from public sector banks	76	19.0
	Loan from private sector banks	112	28.0
	Loan from housing financial institutions	**128**	**32.0**
	Borrowed from friends and relatives	32	8.0
Total area of Residential flat	Below 1000 Sq. feet	52	13.0
	1000-1500Sq. feet	**208**	**52.0**
	Above 1500 Sq. feet	140	35.0
Source of Information	Real estate Brokers	56	14.0
	Direct contact	112	28.0
	Friends and relatives	**160**	**40.0**
	Advertisements	72	18.0
Total		**400**	**100.0**

Source: Primary Data

The above table-1 indicates that the sample respondents demographic factors in the present study. Here, the male respondents were highly purchasing the residential flats in Coimbatore city. The 18-30 years age category persons who have willingness to purchase he flats. The married persons were purchasing more flats and doing selling business after their settlement. The persons who have completed their professional degree, they purchasing the residential flats and the employed persons also included in this category. The monthly income is important one to purchase any source who has been earning Rs.10, 001-30,000 as an income. They are purchasing the residential flats from their savings in Coimbatore city.

The 4-5 members having family persons were purchased more residential flats for their family. Mostly, there 3 persons who have been earning members in the family. From 4-5 years, they were purchasing residential flats for their investment and savings for their family members. The respondents who were getting loans from

housing financial institutions for low interest rate. Mostly, they are purchasing minimum 1000-1500 square feet for build the residential flats. In this present study, the sample respondents buying a residential flat by their friend and relatives suggestions. The sample respondents have more purchasing power and planning for their future with more interest.

Table-2 Satisfaction Level of the Sample Respondents in Buying Residential Flats

Satisfaction Score	Mean	N	Std. Deviation	Minimum	Maximum	Range
Dissatisfied	61.91	60	8.87837	43.56	77.12	33.56
Neutral	73.38	88	11.46290	43.91	87.98	44.07
Satisfied	**77.26**	252	17.41863	38.12	95.67	57.55
Total	74.10	400	16.12258	38.12	95.67	57.55

In the present study, out of four hundred sample respondents two hundred and fifty two respondents have more satisfaction on quality services of residential flat promoters in Coimbatore city. There sixty respondents who are dissatisfied from the service of flat promoters in the present study. The eighty eight sample respondents who have both dissatisfaction and satisfaction due to the not experienced flat promoter services.

Table-3 ANOVA – Changes in Buyer Satisfaction Level on Quality Service of Residential Flat Promoter

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11477.204	2	5738.602	24.699	.000
Within Groups	92237.953	397	232.337		
Total	103715.157	399			

The above ANOVA table-3 indicates that the residential flat promoter services are significant and it providing more changes in the satisfaction level in Coimbatore city. The residential flat promoter services are effective one to buy the residential flats in the study area. The promoter service is satisfying the expectations of the buyer in Coimbatore city.

6. CONCLUSION

The real estate industry has been developing at international level across India. This sector has traditionally been dominated by a number of small and big regional players with relatively high levels of expertise and financial resources. In Coimbatore city, the residential flat promoters are mostly expertise persons to sell the residential flats. The buyers are mostly employed and who have completed profession degrees were interested to buy the residential flats in the study area. The promoters quality service is providing more satisfaction to the buyers of residential flats in Coimbatore city.

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