

# Marketing Mix, Motivation and Consumer Decision Making in Buying Condominium

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## ABSTRACT

Abstract—This research aimed to study the relationship between marketing mix attitudes, motivation of buying decision and consumer decision making in buying the condominiums in Thailand. This study employed by survey and quantitative research. The questionnaire was used to collect the data from 400 sampled of customers who interested in buying condominium in Bangkok. The descriptive statistics and Pearson's correlation coefficient analysis were used to analyze data. The research found that marketing mixed factors in terms of product and price were related to buying decision making tendency in terms of price and room size. Marketing mixed factors in terms of price, place and promotion were related to buying decision making tendency in term of word of mouth. Consumers' buying motivation in terms of social acceptance, self-esteem and self-actualization were related to buying decision making tendency in term of room size. In addition, motivation in self-esteem was related to buying decision making tendency within a year.

Keywords—Condominium, Marketing mix, Motivation, Consumer decision making

## INTRODUCTION

Traffic problem causes the pattern of living concerning housing for Bangkok people changed drastically, such as choosing a shelter near the workplace or transportation systems such as subway or sky train for comfort and saving travel time. The behavior of consumer has been changed also shown by increasing proportion of purchasing a residential condominium. Most of the properties for sale is the condominium, especially for residential units at 1-2 million baht located near the city center with convenient transport facilities. There are some projects that can be sold within one week because the area is closed to the construction site of the MRT or BTS, which is clear expected to be completed in the near future that buyers have more confidence. Moreover, Gasoline is also another factor that affects the growth of the property sector. Current gasoline prices are up more than 300 percent compared to the year 1997, which directly affect consumption and inflation including construction costs. However, it is a positive factor for the condominium business directly since most consumers pay attention to condominiums in the city more than the house or townhouse.

Another factor that is likely to result in a big adjustment once again for the real estate sector including the new Condominium Act which will take effect around this midyear and the Escrow Agent Act. This may affect entrepreneurs that have limited fund. In addition, the steadily increasing restriction of Office of Natural Resources and Environmental Policy and Planning (ONEP) for the development of large projects especially in the green area will affect the cost and timing of development projects directly.

From the survey of the rate of return on investment in a condominium or condominiums along the sky train routes conducted by Research and Information department of Agency for Real Estate Affairs Company, it is stated that new 20 condominiums in five prime locations along the sky train routes "On nut," "Sukumwit," "Sathorn-Silom" " Along the side of Chao Paya River "and" Ruchada Phisek" get the average rate of investment including rent and capital gain reached 18.3% annually with return on "Rent" at 4.7%, and the "price" which is the gain or an increase price from buying of 13.6% per year (Real Estate Information Center, 2021).

The new condominium projects along BTS line "Sathorn-Silom" provide "the highest" average return on investment at 23.9%, with a return from the price increase at 19.8%, but a return from the rent is only 4.1% per year. The condominium projects in "On nut" area rank second for a total return at 19.3% per year comprising of rent at 5.2% and increase price at 14.1%, followed by new condominium projects in "Sukumwit" area for a total return at 17.7% which comprise of the rental price 5.5% and increase price at 12.2%, condominium projects along the side of "Chao

Paya River” have the average return at 17% and the condos in “Ruchada Phisek” area provide lowest return (Real Estate Information Center, 2021).

The current condominium projects have different ideas to meet different consumers' lifestyles, such as focus on the privacy of the residents, focus on different functions, having large terrace that residents can modify for usage. Some condominiums have garden area on the building for their residents feel comfortably both sight and touch. It also provides the full facilities such as meeting rooms, a library, swimming pool, sky fitness and jogging track, etc.

The objective of this research was to study the influence of the marketing mix and motive in purchasing decision that affect trend in consumer's decision to purchase a condominium in Bangkok. Research results will be a guideline for entrepreneurs in condominium business to develop and formulate marketing strategies to meet the needs of consumers in order to provide satisfaction for them and also creates a motive to attract more customers to purchase condominium. In addition, the results will be the information for the entrepreneurs in condominium business to know some factors that affect the trend in consumer's decision to purchase a condominium. The research hypothesis must be tested was marketing mix and motive in purchasing decision affect the trend in consumer's decision to purchase a condominium in Bangkok.

## LITERATURE REVIEWS

Kotler (2016) has concluded that marketing mix consists of product mix, price mix, place mix and promotion mix. The details are as follows:

1. Product mix consists of product and service and brand which consumers desire. To make attractive appeals of the product, marketing managers have to make decision on various matters including product addition which is to identify the presence and product development to add in particular product line, product deletion is associated with evaluation and determination which product or product line to be withdrawn from the market. Finally, product modification is to adjust or to improve the product better than the old one from consumer feedback in order to fulfill the need of the consumer.

2. Price mix or integration between basic price, price adaption credit, and the agreement on possession and transportation. Price mix varies according to the sale offer of the company. Creating price mix begins with considering the demand of the existing product, followed by considering cost since price setting should have profit exceed cost. The next step is to make the decision on the reaction of competitors. The composition of price mix may vary in the state of price alterations, agreement on credit, the prices charged for transportation, and handling of goods.

3. Place mix is the significant part in marketing mix in time and place utility. Marketers should design how long or short channel of distribution or degree of directness, select the right middleman, set the extent of market coverage as well as control and cooperation in channel distribution. To design a facilitation of products storage, the marketers also need to make the decision on the type and location of the facility. Moreover, the marketers should make a decision about inventory control especially in the part about setting and maintaining inventories level. Also, the marketers should make decisions about the facilities in delivering the goods to the customer concerning with the type of vehicle used to transport, the logistics company, the bargaining for the transportation prices.

4. Marketers need to create promotion mix in accordance with each market offering. Promotion mix is the integration of advertising, personal selling, sell promotion, public relations and direct marketing so that marketers can send the message of the product and persuade the buyer to perform the market transaction which will lead to satisfy the objective of buying and selling system.

Maslow's theory of motivation found a way to describe the question that Why people are driven by their want some time? Why someone devotes more time and energy for security while another does something to get respect from the other? The answer of Maslow is that the needs of the human will be sorted in the order from the most pressure to the least level.

According to the theory of Maslow, there is the hierarchy of needs as follows.

1. Physiological need is the basic needs of food, shelter, air, medicine, etc.
2. Safety need is the need for safety and security including refrain from hazards.
3. Social need is the need to want love and belonging from surrounding people such as family and peers.
4. Esteem need is a need of personal esteem and social status.
5. Self-Actualization need is a highest need that people will achieve the most wanting goal in their life that not everyone can reach this level of need.

From the studied concepts and theories, researcher has used the theories and concepts of marketing mix of product that essentially has four aspects: product, price, place and marketing promotion (Kotler & et al., 2008). For the motivation theory, the theory of Maslow on social need, respect demand and the need for life achievement, and the ideas and theories about the trend in the purchasing decision of Kotler et al. (2008) are used to set the conceptual framework and create research questionnaire.

## METHODS

The population in this research is the consumers who know or are interested in the condominium project in Bangkok. The exact number of populations is unknown. The sample used in this study is the consumers who know condominium project in Bangkok and make a call or visit project sites. Number of the sample is calculated using the formula given sample size at the 95% confidence level and an error does not exceed 5%. The sample size is 400 respondents. The sample of this research was collected through convenience sampling technique by handing out questionnaires to consumers who know condominium projects in Bangkok and visit condominium project sites and ask for information for purchasing.

The researcher conducted pilot testing the questionnaire for reliability with 40 consumers who know condominium projects in Bangkok by coefficient alpha ( $\alpha$ ) technique of Cronbach's Alpha value represents the reliability of the questionnaire. It will be between  $0 < \alpha < 1$  value closes to 1 indicates that there is high reliability. Testing the reliability on internal consistency of each question in each element of the measure found that Cronbach's alpha coefficient value is more than 0.7. According to established criteria, it showed that the questions have sufficient quality to collect data.

## RESULTS

### *Descriptive results*

The study found that most respondents was male, the ages between 25-35 years old, single, civil servants / state enterprise employees, earning between 20,000 to 30,000 baht per month and having a number of family member 1- 3 people.

Most respondents focus on the marketing mix; product, price, place and promotion at a high level. The motives in the purchasing decision of social need, respectful demand and need for life achievement were at a high level. For the trend in consumer's decision to purchase condominium in Bangkok in the aspect of the tendency to purchase a condominium in the next one year was at the level of purchasing and the recommendation other people to purchase a condominium was at the level of recommendation.

### *Hypothesis testing results*

Results of the hypothesis testing showed that the marketing mix of product, place, promotion and marketing motive in purchasing decision on social need, respectful demand, and the need for life achievement can affect trend in consumer's decision to purchase a condominium in Bangkok in the aspect of the tendency purchase a condominium in the next one year as shown in Table 1.

**Table 1**  
**The Analysis Results of Marketing Mix, Motivation and Consumer Decision Making in Buying Condominium**

Variables	B	SE	t	Sig.
Constant	1.857	.231	8.034*	.000
Marketing Mix -product	.264	.050	5.277*	.000
Marketing Mix -place	.259	.048	5.392*	.000
Marketing Mix – marketing promotion	.237	.051	4.696*	.000
Motive in Purchasing Decision- social need	.115	.042	2.756*	.007
Motive in Purchasing Decision- need for recognition	.251	.050	5.053*	.000
Motive in Purchasing Decision - need for life achievement	.204	.049	4.201*	.000
R=.659, Adjusted R <sup>2</sup> =.421, R <sup>2</sup> =.434, SE=.314				

\*Statistical significant at .05 level, \*\*Statistical significant at .01 level

## CONCLUSION AND FUTURE WORK

### *Conclusion and discussion*

The result revealed that consumers pay more attention to the marketing mix of condominiums on the products at a high level. This may be because consumers have the expectation to live long-term, to buy for resale or renting or for-profit making. The first thing to meet consumers need is construction company reputation. Besides, condominiums must be beautiful, modernize with nice environment and provide confidence in the security system. These are the motives to make consumers more likely to buy a condominium in Bangkok. The study results coincide with research work of Yenbumroong (2019) on the marketing mix towards the consumers' purchase of condominiums in Bangkok and vicinity: a case study of residential apartments in the possession of Bank of Sri Ayudhya Public Company Limited. His research results showed that products that contribute to the purchase of the condominium were good condition of building and the rooms which also correspond with Choosun (2014) which summarized the theory of marketing mix on product that the decision on determining product forms, brand, package, quality, usage benefits as well as related services such as product warranty, installation, repair, maintenance or others appropriate after-sales service.

The result revealed that marketing mixes on product, price, place and promotion affect the trend in consumers' purchasing decision of condominium in Bangkok and are consistent with the concept of Schiffman and Kanuk (2003) which noted that the study the trend of purchasing decision behavior and actions of consumers about purchasing and using the product. Marketers need to study and analyze consumer behavior for many reasons, namely (1) consumer behavior affect the marketing strategy of the business, (2) to be in line with the concept of marketing that make the customer satisfied, it is needed to study the behavior of consumers for encouraging or setting marketing strategies in response to the satisfaction of consumers.

Moreover, motive in purchasing decision on social needs, respectful demand and the need for life achievement can affect the trend in consumer's decision to purchase a condominium in Bangkok which is consistent with the theory of Maslow (Techarattanased, 2015), that the model of motivation process includes tension, which is caused by the need, want and unfulfilled desires which drives the individual behavior to achieve the goal. When the need has been met the tensions will reduce. Some characters of the motivation of consumers to consider in this research is rational motives versus emotional motives.

### *Recommendations and future work*

Implication of this research suggested that business should conduct marketing promotion development especially discount or gifts to customers, the advertising, public relations and outdoor billboards thoroughly. If marketing communication is not effective, consumers will not recognize the selling condominium. So it should be of great significance on media relations which should be presented in a format that is modern and attractive, various promotions or discount for consumers who recommend friends or someone who are interested to buy a condominium because most consumers to know more about the condominium projects from friends or travel to and from the area or neighborhood they want to stay. So, business will be able to do marketing plan and determine the marketing strategy to develop their products and services in the future as the competition in the condominiums business are very serious.

For further research, the impacts of various forms of promotional activities of condominium manufacturers should be studied that any promotional activities will attract consumers to buy a condo. In addition, the needs of consumers on the size of units, location, and types of condominium should be studied to accommodate the needs of consumers in the future.

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