

Factors influencing HNIs purchase intention on super luxurious housing projects : A study on luxury housing project market in Hyderabad.

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ABSTRACT

Hyderabad is a city known for wealth creation, with a GDP of \$75.2 billion, the sixth richest in the country. This has created an opportunity for luxury homes in Hyderabad. This has created an opportunity for real estate agents and builders to offer ultra-luxury homes. Studying consumer buying behavior involves trying to understand the complexities of people and why they behave as they do in the market, here in the luxury market. Recognize that it takes place in individuals with personalities and attitudes. Builders should incorporate consumer behavior studies to better understand the rationale behind market decisions. Incorporating the concept of purchasing behavior into the ultra-luxury decision-making process will improve our understanding of the individual decision-making process. This understanding leads to better explanations and forecasts in the market, which in turn leads to greater market success. However, there are no systematic studies to understand the influencing factors. This study attempts to fill the above gap by covering various aspects such as internal factors related to ultra-luxury home purchases, buyers' expectations of ultra-luxury homes. The study included other factors such as pricing, investment, vastu and purchase decisions. The study was conducted by collecting data from the HNIs who visited the reputed luxury project “Experience Center” with an intention of purchasing ultra-luxury apartments in Jubilee Hills, Hyderabad.

The purpose of this study is to identify the factors that influence HNIs purchase decisions: A study on luxury housing in Hyderabad. Basically, there are many factors that people consider when making the decision to purchase a luxury property as it involves a huge amount of money and a long-term commitment. Developers compete against each other in terms of sales, branding, marketing, and market share. Hence, the developers need to find some solutions and answer what the purchaser will look into when they intend to buy a luxurious residential house. With so many developers in the Hyderabad market, consumers have a variety of options, intense competition can make it difficult for developers to sell their products. Some of them are location, facilities,

developer reputation, and price. This means that there are more and more supplies in the market and the market is becoming more competitive. When there are many choices in the market, buyers see more criteria such as: Basic Home price, home design, location, discounts and promotions, free treats.

The study tends to address criteria such as the buyer's psychological factors involved in purchasing a luxury home in Hyderabad. The study tends to look at criteria such as the buyer's psychological factors that influence when buying a luxury home in Hyderabad. . We therefore examine whether the psychological factors of HNWI's play a role in buying ultra-luxury homes in Hyderabad. Therefore, the investigation problem can be formulated as follows. "What are the expectations of buyers about ultra luxurious apartments in Hyderabad, What are the factors that influence their buying behavior in purchase of ultra luxurious Apartments?"

Keywords : Factors influencing; Purchase intention; luxurious residences; competition; HNIs.

INTRODUCTION

A home is valued as a basic need of every individual. It is seen not only as a place that protects people from danger, but also as a sanctuary where people can find themselves. It is defined as the place where most of the events that create and develop community relationships take place. In addition, the house presents the cultural and social principles upon which the thinking of people and cultures is created and strengthened. Homes are very important to people. Therefore, finding a suitable and comfortable home for your family to live in is important.

REAL ESTATE INDUSTRY

The term "real estate" is defined as land, including air above ground and ground below ground, and buildings or structures above it. You could say it's reality. This includes residential construction. Commercial spaces such as commercial offices, theaters, hotels and restaurants; retail stores; industrial buildings such as factories and government buildings. Real estate includes the purchase, sale and development of land, residential and non-residential buildings. The main

players in the real estate market are landlords, developers, builders, estate agents, tenants and buyers. Real estate sector activities also include housing and construction sectors.

SEGMENTS IN THE INDIAN REAL ESTATE SECTOR

The real estate sector comprises five sub-sectors. They are Residential space, Commercial space, Retail space, Hospitality space, and SEZs.

LUXURIOUS HOUSING MARKET IN HYDERABAD

Hyderabad's real estate sector has seen a resurgence in the past year with projects marking the development of luxury apartments. While the regular housing sector remains popular with the middle class and white-collar class, there is demand for luxury condominiums, which are high-rise buildings near IT corridors. Experts who analyse the real estate market see increased demand in these two segments. Optimism about Location and neighbourhood play a big role. Luxury condominiums are generally concentrated in high-end neighbourhoods such as Banjara Hills, Jubilee Hills, Gachibowli and Kokapet. Niche regions served by developers are branded with slogans such as "close to IT corridors" to attract discerning customers. Regular apartments, on the other hand, spring up like mushrooms in newly built areas. Modern large luxury apartments have common areas in a closed environment. Luxury apartments have established a system that strongly supports a safe, convenient, and comfortable life. There is no shortage of amenities to support residents' lives. Luxury condominiums typically offer a wide range of amenities for the comfort of their residents.

Luxury apartments promise a stress-free life with a full range of safety equipment such as intercoms, emergency buzzers, and fire slides. Some luxury homes these days also offer home automation, solar generators, natural disaster bunkers, accident and emergency medical rooms, and other preparations in case of a terrorist attack. It is very difficult to guess, but what is certain is that the demand for both standard and luxury homes is increasing. Ultimately, it is an individual decision to buy a home or not. However, it's best to choose an eclectic mix of emotions and economics.

OBJECTIVES OF RESEARCH

PRIMARY OBJECTIVES

1) To understand the factors influencing the HNIs purchase intention on ultra luxurious housing projects in hyderabad.

SECONDARY OBJECTIVES

1) To suggest measures to devise better marketing strategies for the ultra Luxurious residential projects of Hyderabad.

NEED AND SCOPE OF THE STUDY

Hyderabad is a city known for wealth creation, with a GDP of \$75.2 billion, the sixth richest in the country. This has created an opportunity for luxury homes in Hyderabad. This has created an opportunity for real estate agents and builders to offer ultra-luxury homes. Studying consumer buying behavior involves trying to understand the complexities of people and why they behave as they do in the market, here in the luxury market. Recognize that it takes place in individuals with personalities and attitudes. Builders should incorporate consumer behavior studies to better understand the rationale behind market decisions. Incorporating the concept of purchasing behavior into the ultra-luxury decision-making process will improve our understanding of the individual decision-making process. This understanding leads to better explanations and forecasts in the market, which in turn leads to greater market success. However, there are no systematic studies to understand the influencing factors. This study attempts to fill the above gap by covering various aspects such as internal factors related to ultra-luxury home purchases, buyers' expectations of ultra-luxury homes. The study included other factors such as pricing, investment, vastu and purchase decisions. The study was conducted by collecting data from the HNIs who visited a reputed company's uber luxurious project's Experience Center with an intention of buying ultra-luxury apartments at the reputed super luxurious project

RESEARCH METHODOLOGY

RESEARCH DESIGN

The study employs quantitative research and seeks to quantify the data and conclude the evidence to identify the factors that influence buyers' decisions to purchase a home in Hyderabad. Quantitative research is a logical, database-driven approach that measures what people think from a statistical and numerical perspective. Quantitative research collects large amounts of data that can be easily organized and manipulated into reports for analysis.

A descriptive research design was chosen for this study because Descriptive study designs were the most suitable study designs. Descriptive research “describes” something, such as a phenomenon, current situation, or characteristics of a group such as an organization or people. The goal of descriptive research is to describe market potential, acceptance of new business concepts, or customer demographics and attitudes (Kumar et al, 2013). The reason for using a descriptive research design is that it best describes the characteristics of a particular relevant group, such as customers or market areas. It also helps answer anyone's questions of what, who, when, why Where, Cases and Methods for Specific Problems or Situations. This type of data was very helpful in this study as it provided background knowledge and identified the factors that influence buyers' decision to purchase a home in Hyderabad.

METHODOLOGY

In order to reach the objectives of the study, a sample survey was conducted in the experience center and the responses were collected from the HighNetworth customers who visit the experience center. In this research, questionnaires were distributed to get primary data from respondents on attributes influencing home buyer's purchase decision to purchase a residential property in Hyderabad. Self - administered questionnaires have been used in this research for which the respondent takes the liability to read and answer the questions, either on the questionnaire papers or via the internet.

SAMPLE SIZE

Sample size of 100 High Networth individuals have been taken from the experience center (population- 250). through a stratified random sampling technique.A stratified random sampling involves dividing the entire population into homogeneous groups called strata (plural for stratum). Random samples are then selected from each stratum.In sampling elements, the target respondents are High Net Income persons which fall in ages ranging from 21 years old to 50 years old and above and are residents of Hyderabad . The sampling elements of this subject are the demographic information such as gender, age, and place and employment status.

The target population of this study are the HNIs of Hyderabad who visit the experience center. The reason for choosing the HNIs visiting the experience center are because they are the potential buyers of super luxurious residences in Hyderabad.

DATA COLLECTION METHOD

In this research study, survey questionnaires are the most suitable method to be used to collect primary data that are relevant to residential property. Researcher used an online survey questionnaire which was generated in Google Doc and a hand-in-hand survey questionnaire. The underlying reason for using online survey questionnaires to collect primary data is to take advantage of the increased use on the internet in various segments of the audience which are possibly not reachable through other channels (Caroline and Barry, 2002). Online survey questionnaires are relatively quick in collecting data as compared to other approaches such as interview and observation. This method is being used as it helps the survey to be completed in an easy and cost efficient way. Moreover, the data obtained is original as it was obtained directly from the target samples. The samples need to fill in the questionnaire and return it immediately after they have answered. The questionnaires were distributed to respondents through mailing and sharing through whatsapp messages. This method of distribution is an effective way to collect data from a large sample of working people within a short period of time.

For this research study, most of the secondary data was obtained using books and the internet. Websites such as UTAR LIBRARY OPAC contain a lot of e-journals from different online

databases. Online databases such as Jstor, Science Direct, Google scholar, Shodhganga, SAGE Publications and Emerald-Sight

STATISTICAL TOOLS USED

- ANOVA
- Pearson Correlation Coefficient Analysis

ANOVA

Analysis of variance (ANOVA) is an analytical tool used in statistics that divides the total observed variation found in a data set into two parts: systematic and random. Systematic factors have a statistical influence on a given data set, while random factors do not. Analysts use the ANOVA test to determine the effect of the independent variables on the dependent variable.

❖ If the Significance value (P value) is less than 0.05, at 5% level of significance, null hypothesis is rejected. It concludes that there is a significant relationship between Variables which are taken for analysis.

❖ If the Significance value (P value) is more than 0.05, at 5% level of significance, null hypothesis is accepted. It concludes that there is no significant relationship between Variables which are taken for analysis.

Pearson Correlation Coefficient Analysis

Correlation is a technique to investigate the relationship between the two variables whereby Pearson's correlation coefficient (r) is a measure of the strength of the association between the two variables. The coefficient ranges from -1 to +1, where -1 means perfect negative relationship, +1 means perfect positive relationship and 0 means no linear relationship. In general, the closer the value is to -1 or +1, the stronger the linear correlation (Zikmund, Babin, Carr and Griffin, 2010).

ANALYSIS AND INTERPRETATION

Test 1 : ANOVA

Analysis of variance (ANOVA) is an analysis tool used in statistics that categorises the observed aggregate variability found in a data set into two parts: systematic factors and random factors. Systematic factors have a statistical effect on a given data set, whereas random factors do not. An ANOVA test is used here to determine the effect of the independent variable on the dependent variable.

Note : If the Significance value (P value) < 0.05, at 5% level of significance, null hypothesis is rejected. If the Significance value (P value) > 0.05, at 5% level of significance, null hypothesis is accepted.

Hypothesis 1

H0: The factor extent of involvement has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

H1: The factor extent of involvement has a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

Table 4.3.1 : Table showing ANOVA test for the factor involvement and the purchase intention

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.694	6	.116	2.617	.022
Within Groups	4.109	93	.044		
Total	4.803	99			

Variables : Involvement of the respondents (Independent variable) and their purchase intention (Dependent variable) on super luxury housing projects of Hyderabad.

Analysis and Interpretation

The p-value is calculated as 0.022. Since P-Value is found to be less than 0.05, at 5% level of significance, null hypothesis is rejected. Therefore, it can be concluded that the factor extent of involvement has a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

Hypothesis 2 :

H0: The factor knowledge has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

H1: The factor knowledge has a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

Table 4.3.2: Table showing ANOVA test for the factor knowledge and the purchase intention

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.098	5	.020	.393	.032
Within Groups	4.704	94	.050		
Total	4.802	99			

Variables : Knowledge of the respondents (Independent variable) and their purchase intention (Dependent variable) on super luxury housing projects of Hyderabad.

Analysis and Interpretation

The p-value is calculated as 0.032. Since P-Value is found to be less than 0.05, at 5 % level of significance, the null hypothesis is rejected. Therefore, it can be concluded that the factor knowledge has a significant relationship with the purchase intention of the HNIs on super luxury

housing projects of Hyderabad.

Hypothesis 3

H0: The factor motivation has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

H1: The factor motivation has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

Table 4.3.3: Table showing ANOVA test for the factor motivation and the purchase intention

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.112	6	.019	.370	.896
Within Groups	4.691	93	.050		
Total	4.802	99			

Variables : Motivation of the respondents (Independent variable) and their purchase intention (Dependent variable) on super luxury housing projects of Hyderabad.

Analysis and Interpretation

The p-value is calculated as 0.896. Since P-Value is found to be more than 0.05, at 5% level of significance, null hypothesis is accepted. Therefore, it can be concluded that the factor motivation has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

Test 2 : Correlation

Correlation is used to investigate the relationship between the two variables whereby Pearson's correlation coefficient (r) is a measure of the strength of the association between the two variables.

Note: If the Significance value (P value) < 0.05, at 5% level of significance, null hypothesis is rejected. If the Significance value (P value) > 0.05, at 5% level of significance, null hypothesis is accepted.

If Pearson Coefficient of Correlation > 0 then positive correlation between two variables.
 If Pearson Coefficient of Correlation < 0 then negative correlation between two variables.

Hypothesis 4 :

H0: The factor values has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

H1: The factor values has a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

Table 4.3.4 : Table showing the correlation between the factor value and the purchase intention

Correlations between Values and Purchase intention			
		Purchase Intention	Values
Purchase Intention	Pearson Correlation	1	.164
	Sig. (2-tailed)		.103
	N	100	100
Values	Pearson Correlation	.164	1
	Sig. (2-tailed)	.103	
	N	100	100

*. Correlation is significant at the 0.05 level (2-tailed).

Analysis and interpretation

The p-value is calculated as 0.103. Since p-value $0.103 > 0.005$, at 5% level of significance, null hypothesis is accepted. Therefore, it can be concluded that the factor values has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

Hypothesis 5

H0: The factor learning has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

H1: The factor learning has a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

Table 4.3.5 Table showing the correlation between the factor learning and the purchase intention

Correlations between learning and purchase intention			
		Purchase Intention	Learning
Purchase Intention	Pearson Correlation	1	.36*
	Sig. (2-tailed)		.018
	N	100	100
Learning	Pearson Correlation	.36*	1
	Sig. (2-tailed)	.018	
	N	100	100

*. Correlation is significant at the 0.05 level (2-tailed).

Analysis and Interpretation

The p-value is calculated as 0.018. Since p-value $0.018 < 0.05$, at 5% level of significance, the Null hypothesis is rejected. The Correlation coefficient is 0.36. Therefore, it can be concluded that there is a positive correlation between the factor learning and purchase intention. Hence, the factor learning has a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

Hypothesis 6

H0: The factor time pressure has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

H1: The factor time pressure has a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

Table 4.3.6 Table showing the correlation between the factor time pressure and the purchase intention

Correlations between time pressure and Purchase Intention			
		Purchase Intention	Time Pressure
Purchase Intention	Pearson Correlation	1	.4
	Sig. (2-tailed)		.002
	N	100	100
Time Pressure	Pearson Correlation	.4	1
	Sig. (2-tailed)	.002	
	N	100	100

*. Correlation is significant at the 0.05 level (2-tailed).

Analysis and interpretation

The p-value is calculated as 0.002. The correlation coefficient is 0.4. Since p-value $0.002 < 0.05$, at 5% level of significance, null hypothesis is rejected. Therefore, there is a positive correlation between the factor time pressure and purchase intention. Hence, it is concluded that the factor time pressure has a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

FINDINGS

Through ANOVA test, the following results were obtained :

- The p-values of the variables Involvement (0.022) and Knowledge (0.032) are less than 0.05, at 5% level of significance, hence the null hypothesis is rejected. Therefore the factors, extent of Involvement and Knowledge have a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad. (H1,H2).
- The p-value of the variable Motivation (0.896) is more than 0.05, at 5% level of significance, hence null hypothesis is accepted. Therefore, it can be concluded that the

factor motivation has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad. (H3)

Through Correlation test, the following results were obtained :

- The p-value of the variable Values (0.103) is more than 0.05, at 5% level of significance, hence null hypothesis is accepted. Therefore, it can be concluded that the factor value has no significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.
- The p-value of the variable Learning (0.018) is less than 0.05, at 5% level of significance, hence null hypothesis is rejected. Therefore, it can be concluded that the factor learning has a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.
- The p-value of the variable Time pressure (0.02) is less than 0.05, at 5% level of significance, hence null hypothesis is rejected. Therefore, it can be concluded that the factor time pressure has a significant relationship with the purchase intention of the HNIs on super luxury housing projects of Hyderabad.

CONCLUSION

Consumer behavior is an area of study that can give marketers insight into how consumers behave when making purchasing decisions. In today's globalized economy, competition is intensifying. As a result, products such as ultra-luxury homes are harder than ever to stand out. The practice of buying ultra-luxury villas and apartments in Hyderabad is on the rise. National and international builders compete to support attractive projects with advanced technology and world-class architecture. Data on the number of completed luxury villas and apartments provided by many parties in the early years shows that the number of completed projects has increased over the years.

This proves that there is a growing demand for ultra-luxury villas and apartments in Hyderabad and the industry has huge potential. But in the context of Hyderabad, there have not been many systematic studies to understand the factors influencing the purchase of ultra-luxury homes. Therefore, there is a gap in the body of knowledge regarding these aspects of buying a luxury home. This study attempts to fill the above gap.

This study covers various aspects related to buying a luxury residence in Hyderabad. This study includes internal factors influencing the purchase of super luxury residences, consumer preferences for ultra-luxury homes, investment, Vasthu, buyer's goals, buying decisions and other factors. The study was carried out by collecting data from HNIs who visited a reputed company's ultra luxurious residential project Experience Center in Hyderabad with the intention of purchasing luxury residences . These HNIs are potential buyers of ultra luxury homes in Hyderabad.

This study identifies a number of factors such as Involvement, knowledge, attitude, learning and time pressure that are significant in the context of consumer purchases of ultra-luxury homes in Hyderabad. This information is of considerable value to builders designing projects and developing marketing strategies. The inferences drawn here will improve and enhance the existing body of knowledge, which is the contribution of this study. As there are not many systematic studies on consumer behaviour of luxury villas and apartments before, especially in the context of Hyderabad, this study may open new avenues for further research in this area. .

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