

Analytical Study on Customer Satisfaction towards Residential Apartments

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Abstract: *In India, the real estate sector assumed 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. Customer satisfaction is very essential for construction industry for Residential projects. Construction industry needs to understand the needs of residents to continuously improve their products. This paper focuses on analysis of satisfaction factors of customers of Residential flats in Coimbatore city. With the sample of 50 respondents, the result was evaluated using descriptive analysis, chi-square analysis and average rank analysis. The result of this study discovered that the location and before and after sales services provided by the construction company has a major influence on customer satisfaction.*

Key Words: *Customer satisfaction, residential apartment, real estate etc.*

1. INTRODUCTION:

Human being is a unique creation of this world. As humans, people need to have certain essential things for constancy. The real estate sector in India assumed 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. At present, the real estate and construction sectors are playing an important role in the overall development of infrastructure. The basic amenities of living for people are food, clothing and shelter. For shelter people need a house. In India from various real estate sector is growing in a sensational way in the presence of private banks. These banks are providing housing loans towards Indians and NRIs for fulfilling their self needs or business purpose. In India, most of the city like New Delhi, Bangalore, Chennai, Mumbai etc. these are main midpoint for the business and these cities are providing more employment opportunities towards jobseekers. Service quality is commonly noted as a critical prerequisite and a determinant of competitiveness for establishing and sustaining satisfying relationships with customers. Hence service quality is an important indicator of residential satisfaction.

1.1. Customer satisfaction towards Residential Apartments:

Customer satisfaction is an important factor in the development of the construction process and customer relationship. It enables construction companies to differentiate themselves from their competitors and create sustainable advantage. As Construction Company's face-increasing competition, greater attention continues to be placed on customer relationships and satisfied customers. The primary purpose of buildings is to provide householder with safe, comfortable, healthy and secured indoor environment to carry out different kinds of activities ranging from work, study, leisure and family life to social interactions. In order to achieve this purpose, buildings are designed, planned, constructed and managed based on standards and specifications established by governments, professionals and experts, they must have adequate knowledge of user's needs and expectations. Customer satisfaction has become one of the problems for construction companies in their efforts to improve quality in the competitive market place. It is also manifest that high customer satisfaction leads to the strengthening of the relationship between a customer and a company. It differentiates the benefits or values users or customers derive to that expected when a product or service is consumed. It measures the difference between the actual and expected performance of products or services in meeting users' needs and expectations from the users' or consumers' perspective during or after a consumption experience. Buildings like any other products are designed and constructed with lots of expectations by clients, professionals, users and the community. To clients, buildings require huge capital investment and are expected to bring returns on investment, while to professionals like architects, builders and engineers build their products of own creativity and imaginative thinking. The objective of this paper is to examine and deepen the understanding of customer satisfaction factors in the construction projects in Coimbatore city.

1.2. Statement of the problem:

Now a day, people all over the world have started purchasing Real Estate property. The residential flat promoter services are vastly providing more different offers and opportunities to the buyers. The customers have to consider so many factors before and after purchasing the residential flat. There are different factors affecting the purchase behavior and their preference and satisfaction have a great significance in the market. Hence, promoters will be able to launch their housing schemes better and effectively. Here, based on the study the research problem has been identified as key factors affecting buyer satisfaction with residential flat in Coimbatore City.

1.3. Objectives of the study:

- To evaluate the customer satisfaction towards residential apartments.
- To analyze the factors influencing the customer to purchase residential apartments.
- To study the problems faced by the apartment buyers.

2. RESEARCH METHODOLOGY:**I. Research design :**

The researcher aims to “Study of Factors Affecting Customer Satisfaction for Residential Flats in Coimbatore city”. Convenient random sampling method is used to collect the data.

II. Area of the study:

The study is undertaken in Coimbatore city.

III. Sample size:

The sample size for the study is 50 respondents.

IV. Data source :

Primary data has been collected directly from the customer by using a questionnaire. The relevant secondary data is has been collected from different source such as technical and trade journals, article, newspapers, magazines, internet, periodicals, books, reports etc.

Statistical tools used for the study

- Descriptive analysis
- chi-square analysis
- average rank analysis

Limitations of the study

- The respondents are restricted to Coimbatore city
- Due to time constrains the sample size was limited to 50 respondents

3. LITERATURE REVIEW:

Kim et al. (2005) suggested evaluation criteria based on performance value or the one frequently met in practice by development and application of a housing performance evaluation model for multi-family residential Buildings. They presented model that can be used for objective and practical evaluation and comparison of residential housing alternatives and hence provided users more substantial and practical information about in-use housing performance.

Mishra (2009) in her study suggested that the objective is to know the satisfaction level of customer residing in various townships or cooperative societies and to find out the expectations & need of the customers from the builder. The main factors of this study is purchasing residential property depend upon quality and name of developer for this company should have strong goodwill in market.

4. ANALYSIS AND INTERPRETATIONS:**Table 1: Descriptive Analysis:**

Personal factors		No. of respondents	Percentage
Age (years)	Below 25	9	18
	26 to 45	19	38
	46 to 65	17	34
	65 above	5	10
Gender	Male	29	58
	Female	21	42

Personal factors		No. of respondents	Percentage
Marital Status	Married	36	72
	Unmarried	14	28
Educational Level	No formal education	8	16
	School level	12	24
	College level	17	34
	Professional Level	13	26
Occupational Status	Agriculture	4	8
	Business/self employed	12	24
	Government employee	15	30
	Private sector employee	19	38
	Others	-	-
Monthly Income (in Rs.)	Up to 20000	7	14
	20000 - 30000	14	28
	30000 - 40000	17	34
	40000 and above	12	24
Size of Family	Up to 2 members	7	14
	3	19	38
	4	21	42
	5 and above	3	6
Type of Family	Nuclear family	30	60
	Joint family	20	40

The above table indicates that, 38% of the respondents belong to the age group of 26 – 45 years, 58% of the respondents are male, 72% of the respondents are married, 34% of the respondents education level is up to college level, 38% of the respondents are private sector employee, 34% of respondents monthly is 30001-40000, 42% of the respondents size of family is up to 4 members and 60% of the respondents belong to nuclear family type.

4.1. Average Rank Analysis:

The factors influencing the purchase of an apartment

- Posh location - A1
- Nearer to the City - A2
- Building design and model - A3
- Facilities - A4
- Price factor -A5
- Builder image -A6

Table -2: Average Rank- Personal factors and the factors influencing the purchasing of an apartment

Personal factors			A ₁	A ₂	A ₃	A ₄	A ₅	A ₆
Age (years)	Below 25	AR	3.25	4.66	5.96	7.51	7.99	3.45
		FR	1	3	4	5	6	2
	25 to 45	AR	2.15	4.96	3.52	7.56	8.63	2.69
		FR	1	4	3	5	6	2
	45 to 65	AR	4.14	1.99	3.83	3.95	2.67	0.00
		FR	5	1	3	4	2	-
65 above	AR	1.24	4.56	5.65	3.45	7.52	2.21	
	FR	1	4	5	3	6	2	
Gender	Male	AR	2.54	2.56	3.56	2.57	4.88	6.45
		FR	1	2	4	3	5	6
	Female	AR	1.13	2.94	5.68	6.56	5.96	2.56

Personal factors			A ₁	A ₂	A ₃	A ₄	A ₅	A ₆
		FR	1	3	4	6	5	2
Marital Status	Married	AR	2.23	2.96	5.69	6.96	4.23	2.35
		FR	1	3	5	6	4	2
	Unmarried	AR	5.10	5.42	4.08	6.32	4.84	2.89
		FR	4	5	2	6	3	1
Educational Level	No formal education	AR	1.22	3.56	4.89	5.69	4.26	2.45
		FR	1	3	5	6	4	2
	School level	AR	5.44	5.41	4.56	6.48	4.75	7.31
		FR	4	3	1	5	2	6
	College level	AR	1.25	3.45	2.26	7.89	4.56	5.56
		FR	1	3	2	6	4	5
	Professional Level	AR	5.46	5.11	5.09	5.83	5.37	7.88
		FR	4	2	1	5	3	6
Occupational Status	Agriculture	AR	4.00	5.00	4.63	6.88	0.00	6.00
		FR	2	4	3	6	1	5
	Business/self employed	AR	4.71	5.10	5.17	6.43	5.32	6.90
		FR	1	2	3	5	4	6
	Government employee	AR	5.10	5.44	3.60	7.09	5.19	6.25
		FR	2	4	1	6	3	5
	Private sector employee	AR	5.68	5.26	4.89	5.67	5.43	6.95
		FR	5	2	1	4	3	6
	Others	AR	1.21	4.56	5.69	7.89	2.36	2.23
		FR	1	4	5	6	3	2
Monthly Income (in Rs.)	Up to 20000	AR	6.03	5.21	5.00	5.65	5.56	7.36
		FR	5	2	1	4	3	6
	20000 - 30000	AR	4.74	5.23	4.38	6.94	5.60	6.12
		FR	2	3	1	6	4	5
	30000 - 40000	AR	5.70	5.55	4.31	6.25	4.51	6.39
		FR	4	3	1	5	2	6
	40000 and above	AR	4.39	5.00	5.07	6.74	5.57	8.60
		FR	1	2	3	5	4	6
Size of Family	Up to 2 members	AR	2.12	7.98	4.53	6.39	8.63	2.96
		FR	1	5	3	4	6	2
	3	AR	2.56	8.65	4.96	3.56	7.58	3.88
		FR	1	6	4	2	5	3
	4	AR	2.57	5.97	3.88	4.99	8.21	1.25
		FR	2	5	3	4	6	1
	5 and above	AR	4.17	5.17	4.19	6.97	4.93	6.80
		FR	1	4	2	6	3	5
Type of Family	Nuclear family	AR	4.92	5.19	4.65	6.51	5.57	6.59
		FR	2	3	1	5	4	6
	Joint family	AR	5.21	5.41	4.34	6.89	4.46	6.53
		FR	1	4	2	6	3	5

Note : AR- Average Rank FR- Final Rank

It is found from table 2 that the respondents irrespective of their personal classification have given high priority to push location (A1) as the top priority, followed by Builder image (A6) when compared to the other factors.

It is concluded that among the various factors influencing the purchasing of an apartment, the respondents irrespective of their personal classification have given top priority to push location when compared to all other factors.

4.2. Chi-Square Analysis:

Personal factors and satisfaction level towards residential apartments

Hypothesis : The personal factors of the respondents have no significant influence about the level satisfaction towards residential apartment.

The table 3 describes the personal factors, chi-square values, p values and their significance on the source of awareness about the builder.

Table-3 : Chi-square values- personal factors and level satisfaction towards residential apartment

Personal Factors	Chi-square values	p values	Significant/ Not significant
Age (years)	165.51	0.000*	S
Gender	28.98	0.000*	S
Marital Status	10.59	0.005*	S
Educational Level	55.20	0.000*	S
Occupational Status	78.34	0.000*	S
Monthly Income	89.20	0.000*	S
Size of the family	111.51	0.000*	S
Type of the family	121.31	0.000*	S

* S-Significant (p value ≤ 0.05); NS- Not Significant (p value >0.05)

It is found from the table 3 that the hypothesis is rejected (significant) in all the cases.

It is concluded that all the personal factors considered for the study have significant influence on satisfaction level towards residential apartment.

4.3. Personal factors and the problems faced within the apartment

Hypothesis : The personal factors of the respondents have no significant influence about the problems faced within the apartment.

The table 4 describes the personal factors, chi-square values, p values and their significance on the problems faced within the apartment.

Table- 4 : Chi-square values- personal factors and the problems faced within the apartment.

Personal Factors	Chi-square values	p values	Significant/ Not significant
Age (years)	13.532	0.009*	S
Gender	45.672	0.000*	S
Marital Status	19.81	0.000*	S
Educational Level	18.672	0.005*	S
Occupational Status	21.646	0.001*	S
Monthly Income	50.081	0.000*	S
Size of the family	47.204	0.000*	S
Type of the family	31.962	0.000*	S

* S-Significant (p value ≤ 0.05); NS- Not Significant (p value >0.05)

It is found from the table 4 that the hypothesis is rejected (significant) in all the cases.

It is concluded that all the personal factors considered for the study have significant influence about the problems faced within the apartment.

5. Findings:

- Most (38%) of the respondents belong to the age group of 26 – 45 years.
- Majority (72%) of the respondents are married
- Most (34%) of the respondents education level is up to college level
- Most (38%) of the respondents are private sector employee
- Most (34%) of respondents monthly income is 30001-40000

- Most(42%) of the respondents size of family is up to 4 members
- Majority (60%) of the respondents belong to nuclear family type.

Chi-Square

- There is no relationship between personal factors such as age, gender, marital status, educational level, occupational status, monthly income, size of family, type of family and the level of satisfaction towards residential apartment.
- There is no relationship between personal factors such as age, gender, marital status, educational level, occupational status, monthly income, size of family, type of family and the problems faced within the apartment.

4.4. Average score analysis:

It is concluded that among the various factors influencing the purchasing of an apartment, the respondents irrespective of their personal classification have given top priority to posh location when compared to all other factors.

6. Suggestions:

- The construction company should take care of their customer needs and must provide customization to increase the satisfaction level of the customers.
- It is also suggested to hand over the flats to the customers as soon as possible. This made the customers to feel happy and can increase the company's reputation.
- Current issues faced by the apartment buyers are lack of customization and poor-quality. Construction company should take care of that and provide the necessities to their customers.
- Offers can be made to purchasers which will increase the sale of flats and 24/7 online chat assistants can be provided for the convenience of potential claims.

7. CONCLUSION:

The residential flat service is always unique in this real estate industry to enhance the people life. This sector has been influence by a number of small and big regional players with relatively high levels of expertise and financial resources. The customer satisfaction level was good towards purchasing residential flat in Coimbatore city. The promoters quality service is providing more satisfied to the buyers. In the purchase of residential apartments increases when the buyers income range increase in their life. Hence, the residential flat quality services which increases customer's perception level and changing their behavior to purchase more flats in Coimbatore city.

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