

**THE FACTOR CAN INFLUENCE THE CUSTOMER IN HAT YAI,
SONGKHLA THAILAND TO BUY THE RENOVATED HOUSE**



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SONGKHLA THAILAND TO BUY THE RENOVATED HOUSE**

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Wichuda Tasuwan

THE FACTOR CAN INFLUENCE THE CUSTOMER IN HAT YAI, SONGKHLA THAILAND TO BUY THE RENOVATED HOUSE

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ABSTRACT

House is the basis of people's needs and people hope to belong to it because they value the house as some important part of their life, some people buy an expensive house to reflect the status of themselves. Some people buy the house as an investment etc. because people value houses as something that will appreciate in value. This will impact the real estate company to keep building the house in any style depending on the trend, and the customer's lifestyle in each city.

This paper is investigating the customer in Hat Yai, Songkhla Thailand based on buyers', agents' and manager's perspective using in-depth interviews. It considers which factors influence people for buying a house and why do they buy a renovated house. The papers also covered the overall real estate process, including the business tax for the owner, any fee that related to buying a house. Furthermore, it shows the group of potential customers of the Hat Yai population. Acknowledge some factors that are important to people in Hat Yai to consider to buy a house and be able to provide the right one according to the needs and wants of the customer. Also, the number of populations, income, the size of the city, etc. would be impacted on the Hat Yai customer decision in an indirect way.

From the in-depth interviews and analysis, the author found that customers in Hat Yai city choose houses by Price, Financial and One-Stop Service Factors. Followed by the minor important factors are Location and Quality. The Age of house Factor is not important at all for Hat Yai customers considering to buy a house.

KEY WORDS: Real Estate/ Renovate House/ Hat Yai city House/ House Purchase decision/ Buying House

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CHAPTER I

INTRODUCTION

Since humans moved out of the cave, the home has been very important in people's lives, as Lindamood & Hanna (1979) stated that "home can provide the environment which can encourage a person to express their ability and potential", hence, to have the quality home is very important as well as the factors people use to consider when buying. There is another sample of the research that talks about the definition of home by Abdullah, Nor, Jumadi & Arshad, (2012) stated that "Maslow's framework is widely used to explain the role of housing in supporting life. For example, in Malaysia, the government confirmed that housing is a basic human need for the Malaysian population and also an important component of the urban economy".

The second attitude toward home or real estate property is the belief in the value of it. People have considered a home or real estate property as valuable. It is a popular belief, not only in Thailand but all around the world, that real estate properties will appreciate in value over time. Many pieces of research do support this belief. For example, Fang, Gu, Zhou & Xiong, (2016) stated that "in China's top cities, real prices grew by 13.1 percent annually from 2003 to 2013". "Real land prices in 35 large Chinese cities increased almost 5-fold between 2004 and 2015", (Wu, Joseph, and Yongheng, 2015). Also, in Kuala Lumpur, Malaysia, the price of a house rose 12.2 percent from 2010 to 2011 (Liew & Haron, 2013).

Hence, many people buy real estate to invest their money into the asset. Some are looking to make money from renting out those properties. Especially it is a big change in the new generation in China, the survey mentions that Generation Y which ranges aged 19-36 in Mainland China. They are a plan to invest in real estate which is the highest 94 percent of the Chinese of planning to buy property in the next five years by comparing to France which has only 69 percent. (Juwai, 2017)

By the way, some others are looking to own their own home. Amadeo (2019) pointed out that real estate has an important role in the U.S. economy. A family's home provides, not only housing but also a source of wealth for many Americans.

Also, in Thailand of the real estate market, Thai Kasikorn Bank Center mentions that real estate property in Bangkok and nearby Bangkok Thailand are expanded 5-7 percent if compared from the year 2560. (Sangpruaksa, 2019)

About Hat Yai city is one district of Songkhla province located in the south of Thailand. It is the largest city in Songkhla province. Hat Yai is about 1,000 km. from the South of Bangkok. Therefore, Hat Yai is near to the border of Malaysia. Hat Yai city is one of the large commercial centers that have main shopping opportunities. To travel to Hat Yai city by road, rail, and air. The surrounding area has great and fascinated natural beauty including lakes, mountains, caves, waterfalls, and rich cultural heritage. Because of Hat Yai city has a lot of places for travel and can relax in terms of natural and shopping style places. (Faculty of Management Sciences, 2019)

This is the ranking of the population of the biggest cities in Thailand.

Rank	<i>Biggest Cities in Thailand</i>	<i>Metro Population</i>	Income THB	Size of city Square KM
1	Bangkok	14,565,547¹	45,572²	1,569⁴
2	Hat Yai	158,218³	27,660²	852.8⁵

1 Source: Mangbanglo, (2010)

2 Source: TERRABKK (2016)

3 Source: Google (2012)

4 Source: Google (2019)

5 Source: Google (2019)

Hat Yai city is on the number five ranking of the population of Thailand. However, if compared to Bangkok, there is only one percent of the population of Bangkok. The average income of Hat Yai people is almost half of Bangkok's income. Furthermore, the size of the Hat Yai is also half of Bangkok's size.

The scope duties of Owner, Agent, and Buyer: Owner of the company will look for the old house to renovate. After renovating the house, the owner will be asking the Agent for a posting house via the agent's page or Facebook which the condition is owner sets the net price to the agent. For example, this house owner wants only 1.5 Million, and the agent sold the house at 1.7 million. The 1.5 Million goes to the owner and the rest will arrive at the agent's pocket. After buyer contact with the Agent, the Agent will bring the customer to see the house. If the customer agrees to buy the house, the agent will inform the owner of the company.



The Research Question of This Study: What factors that Hat Yai buyer considers for buying renovated houses and why they prefer to buy a renovated house instead of a new house.

Study Purpose: To understand the Hat Yai buyer and seller of their attitude toward renovating the house and what is the most important factor of their considering.

After identifying the Expected Benefits: Be able to understand the buyers in Hat Yai city of why they choose the renovated house with priority considering for buying, how they compare the price, Which channel buyer check out the seller of selling property, understand target customer of what they want when buying house, the process of buy house until the final financial.

CHAPTER II

LITERATURE REVIEW

To buy one house is not going to take a little bit of time to consider, but have to take time to choose. It depends on what is the purpose of the buyer. At present, there are many Real estate companies in the Market. Each company has their own unique selling by communication in their own ways. At the same time buyers think and consider many factors as much as they can. even more importantly, owning a home comes with additional responsibilities; responsibilities that not everyone wants to deal with. To help people improve their decision when they buy a house. To support this message by Sopielnikow (2019) was mentioned in the US. People will buy the house since experts predicted that mortgage rates would surpass five percent. Also, interest rates below four percent. This message can assume that people in the US. Will think and consider many factors before buying a house.

And this below chart is the process of making decisions for purchasing real estate. (Hamid, Bin Hj, & Norhaya, 2006)

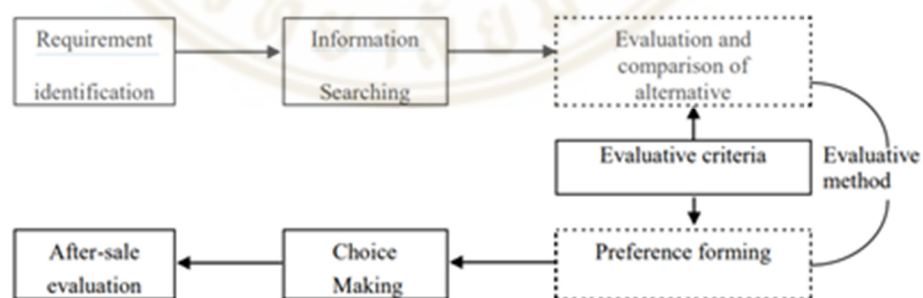


Figure 2.1: Real estate purchase decision-making process

(Source: Hamid, 2006)

According to the diagram above, it pointed out the process of making a decision for purchasing the real estate by starting with requirement identification, information searching, Evaluation and come up with an evaluative method which is a

comparison of alternative, evaluative criteria, and preference forming. After that, it starts with choice-making and at the end of the process is after-sale evaluation, (Hamid, Bin Hj, & Norhaya, 2006).

There are five main factors for considering buying a house.

Price: The buyer will consider the price as an important factor. To confirm this message by Leung (2010) identified price as one of the most important factors that affect the willingness of buying real estate in any market. Therefore, people also think that price should be related to quality, having a higher price, should have a higher quality. In order to support the associate price and quality Rao & Monroe (1989) pursued the theoretical reasons for the price perceived quality relationship, or how such a relationship influences buyers' perception of value or their purchase intentions or choices.

However, this research mentions that in terms of price, the result findings show that the distribution of house price is almost the same in between below RM100,000 and RM 250,000. Only 3 percent indicates their consideration of house purchase probably above RM 250,001. Because of this result is important to indicate the price consideration when the respondents want to buy a house as their one of decision making in housing purchasing. And another research confirms by King, Mieskowski, Kain, Quigley, & Yinger, (1973) "has pursued this strategy by comparing the prices of homes purchased in the same neighborhood at roughly the same time." Salleh & Shiadri (2008) also mentions that the neighborhood considers price as an important factor for the Malaysia housing sector during research in Penang and Terengganu. Oh (2000) expressed that space and house price in Malaysia is very satisfied, while the size of the kitchen and toilet have low satisfaction. Gibler & Nelson (2003) pointed out that most real estate studies in the past were done based on the neoclassical economic framework that people make a decision to buy a house to maximize utility using price and income constraints.

Financial: Also, Financial conveniences are commonly provided house buyers with more confidence to come over with more selection of house type and price

range. For example, increases in terms of cash and payback flexibility while they purchase a house. Past researchers defined financial status in relation to buying a house. It is combined with house prices, mortgage loans, income and terms of repayment (Opoku, Abdul-Muhmin, & Yongzhou, 2010). "Financial can be defined as the financial health of an individual that involves money such as income level, loan, interest rate, and payment" Jamil (2015). Jayantha & Lau (2016) "stated that income level has a positive impact on property affordability as buyers could cover initial payment and mortgage repayment."

Quality: It is normal that customer is looking to the quality, customer is quite compared between the quality and value of the product, as this research support by Monroe (1973) "using conceptualization of perceived value, provided a model relating price, perceived quality, perceived sacrifice, perceived value, and willingness to buy (Figure IA)". This research also mentions that even the price is very high, but if the product provides high quality, they are also willing to pay for it. Because of this, it can ensure that people also consider the quality of products as a priority important before they want to buy something.

Location: Location can be influencing many people to choose from this factor because many people are concerned about traveling to the workplace, kid's school, shopping mall, friend house, and family house, etc. Moreover, people are also concerned about the environment of their house too. To support this message by Adriaanse (2007) "measured residential environmental satisfaction to identify factors which directly contribute to inhabitants' levels of satisfaction with their residential environment, including traffic noise, green areas, and social relations." Therefore, people not only consider a location as a place for convenience, they also want to show the status of their family as this research message; Aliyu, Kasim, Martin, Diah & Ali, (2015) stated that location is the most important factor for residential property value. Therefore, "In Malaysia, studies also found that location is the important factor and customers were considered important before they bought houses. (Razak, Ibrahim, Hoo, Osman, & Alias,

2013). In term of people who stay as a family, they prefer the location as this research mention family formation stages of buyers are related to location preference of residential property Jayantha & Ming (2015) Not only people who live as a family but also the individual also prefer location, they also think location is very important for them. As this research mentions that location as one of the most important factors affecting the individual's decision making in purchasing a house Adair et al., (1996).

Location- Neighborhood's character:

Most of the people care about security is the priority thing. When people buy the house, they will choose the house by having the good of the neighborhood's character. This research confirms that buyers are willing to pay the higher price for residential property with a safe environment and having a good neighborhood rather than a cheaper house without security San (2016) as same as Maslow's theory that mentions that people need safety.



This is another factor that you find a *neighborhood* that suits your needs before buying. Is this area have the peace zone, is this area have noise voice, Is this area close to the slum or not, etc. Also, (Razak, Ibrahim, Hoo, Osman, & Alias, 2013) also confirmed that the environment has a big influence on a house buyer in Malaysia. A wide range of leisurely and economic-related activities may exist in a given neighborhood, though there are still others that may not feature such goings-on and function as only living neighborhoods. A neighborhood can be a place of work apart from its conventional property of living (Otengbulu & Adewunmi, 2009). According to (Marcuses's, 1996) in Scharf, Philipson, Smith & Kingston (2002) identify that neighborhood as a base of a supportive network and become a source of identity of who a person is and where he or she belongs in society besides neighborhood is more than a source of security.

Location - School, workplace, other important places: It is important to buy the house close to the school because it is convenient for the family who has the children. As this research, Jayantha and Lau (2016) indicate that buyers with children prefer a property near to the education area. Also, confirmed by Kaynak and Stevenson (2007), (Sengul, Yasemin, & Eda, 2010) location is closely related to distance from various points of interest. For example; central business district, distance to school, and distance to work and distance to retailer outlets Adair et al., (1996) Valuation of residential property: Analysis of participant behavior, 1996) Hensch, house located in the important area can be more competitive.

The number of bedrooms and bathrooms: Number of bedrooms and bathrooms are also one factor that the buyer considers, because the member of the family can impact to buy the house with having enough room for the buyer's family. Also, the size of the room is also suitable and comfortable for the buyer or no. Therefore, buyers have decided ahead of time how many bathrooms they prefer. To ensure this by this research. Hong (2012) said that a residence that has the age of fifty years and above might be considered a positive attribute due to its cachet considerations. The quantity of rooms or bathrooms in a residential is considered one of the components involved in the decisions of owning a residence (San, 2016). And stated that the quantity of rooms or bathrooms in a residential is considered one of the components involved in decisions of owning a residence. Therefore, other common features like the size of dining and living halls, number of bathrooms and bedrooms and also the developed size are considerable in the purchase decisions too (Hong, 2012)

Age of house: The age of the house is a very important factor to consider for the buyer before they decide to buy a house because we target a buyer who buys the renovated house or using a house by this research which mentions that the quality of the property can be determined by the age of the property. It is also one of the important aspects of purchase decisions for a property (Moghimi & Jusan, 2015).

CHAPTER III

RESEARCH METHODOLOGY

Research Design The objective of this research is to explore and understand a group buyer in Hat Yai city and sell, renovate or use a house by which factor does the buyer considers as a priority and what is the house agent's offer to the buyer. What is the complete process of selling one house to the buyer? Knowing the target group of potential customers, Which channel is an achievement in Hat Yai city. Acknowledge the barrier of house sellers. Therefore, the “Qualitative” interview approach will be used in this research. Individual in-depth interviews for a total of 8 participants will be conducted. 3 participants are from the seller or agent and 5 participants are from customers.

Data Collection Methodology: To conduct the data on this topic what is the factor of buyers considering to buy a house and why they buy the renovated or used house instead of a new house. In order to make the data clearer, I group the data which is based on occupation and income by dividing into 3 groups; the first group is a buyer who works for the government, Owner of business and employee. The price range of houses stays at 1.5 million to 2 million. Data collection will get from each side of the seller, agent, and buyer.

Sampling: is in a total of around 8 persons. In this research, judgmental sampling with convenience methods will be used due to time and budget constraints for the project. The researcher will perform preliminary judgment for each individual to be interviewed to ensure that the participants are capable of responding to the questions with a good understanding of the topics related in order to represent the population.

Data Collection: will be gathered during the interview conducted to explore the buyer of considering to buy a renovated house instead of buying the new house which is the price range around 1.5 million to 2 million. the efficient channel for a

population in Hat Yai that uses it the most, what customer satisfaction to the house, what is a complete process of selling one house, what is the main problem process for the seller. Which strategy the seller uses for pushing the buyer to decide to buy the house right away. On average how long, the process will be done. To conduct the data by starting with a quantitative question to the 5 buyers. The question details start with the demography of the buyer. For example, Name, Age, Occupation, and income. by the following consequent by the rating of factor from a small important factor to the most important factor. For example, Price, Size and appearance of the house, Location including environment, security, Financing service, age of house and quality. After that, go deep down in the qualitative question which is asking about the reason from the buyer. While collecting the data from the agent or seller for 3 persons. In order to see the angel of both sides of viewing.

Findings

According to the interview from the important parties of sell-buy houses, seeing the perspective and attitude toward buyers buys the renovated house. Providing by the full interview transcripts were coded for evidence supporting, the factors that can influence the buyer in Hat Yai, Songkhla to buy the renovated house by identified three groups of responses to the following three questions:

The first group of question

The question to the buyer: 1. Why did you decide to buy this house?
 2. Which channel do you look for buying a house? 3. What are the services that you have satisfied since the starting process of buying a house until you have already bought the house? 4. What do you want the seller to provide to you and make you make the decision to buy a house faster or feel very sure of the decision to buy the house? (information/services/suggestion or something related to selling a house)

Customer's information:

No.	Customer's Name	Sex	Age	Education	Occupation	Focusing
1	K. Nok	Male	31-40	High school	Employee	Price
2	K.Noo	Male	41-50	Diploma	Government officer	Price, Quality, and Financial
3	K.Korn	Male	31-40	High school	Business owner	Financial, Location
4	K.Ying	Female	20-30	Bachelor degree	Government officer	Quality and Financial
5	K.Fah	Female	31-40	Bachelor degree	Government officer	Location, Quality, and Financial

The second group of question

The question to Agent: 1. Do you think what is the factor that the buyer buys the house? 2. Which channel do you use the most to sell the house? 3. What is the strategy that you make the buyer buy the house? 4. What is the barrier to selling houses?

The third group of question

The question to Owner/Manager: 1. Do you think what is the factor that the buyer buys the house? 2. What channel do you use the most to sell the house? 3. Do you think that your house sells strength points? 4. What is the barrier to selling a house? 5. What is the proximate process of selling a house?

There were five factors identified that influenced buyers to buy the renovated house 1. Price 2. Financial Conveniences 3. Quality 4. Location (surrounding Development, Security, Neighborhood's character, School, Workplace other important places 5. Age of house

CHAPTER IV

DATA ANALYSIS

The data is collected and analyzed based on interview questions of buyers, agents, and owners. The findings show what factors can influence consumers in Hat Yai, Songkhla to buy the renovated house. All the parties related to renovating house selling be able to confirm and give the answer of their perspective to their customer of a decision of buying a house. Which perspective that they have a similar perspective between a buyer, agent, and owner. The consolidation of meetings or channels that all the parties see house selling of post. Selling points strategy of the agent to have made the sales high. The owner also provides information about selling the house of the process. According to the participants, the most important factors from the literature are price, financials, quality, and location, ranking from most to least important. The age of the house factor was not at all important to the participants. Interestingly, however, the interview and analysis uncovered a new factor that is as important as price: One-stop service.

Price: Base on the interview Three of buyer mentions that Price is an important factor that influences them to buy houses as similar as the result of this research of buying holiday home in Thailand by Swedish Consumer, they make the decision with low price by Suwanpimon & Theerabanchorn (2010) found that price is the important factors, it can motivate the demand of housing investment both who already bought and also who intend to buy in future. 83.13 percent of Swedish consumers are interested in having a home in Thailand. While the research of Malaysia indicated that house features, financing, distance, environment, and superstition-numbers have significant positive relationships with house purchase intention.

Buyer's perspective: There are three buyers who agree at the price. The respondents who said the price is a very important factor that influences them to buy which they answer the question of why do you buy this house? and the answer is

“I want the house which has two floors and the price not higher than two million baths, but most of the new house has the price higher around 1 Million as I bought this house only 1.69 Million but the new house is 2.5 Million Baht”

the other two responses also mention that

“I choose this house it is because of the price, because of my income can only loan in this range price and I also can be able to afford in this price, so the price is very important for me to make the decision”

another response that “Price is the primary factor that I will consider, because I have to others payment for every month”

Agents perspective: Both agents do not think the price is the primary important factor that influences the buyer to buy the house.

“I think the financial in the form of bank loan is more important than the price, because most of my customer always asking about the financial and if I know about the interest rate from each bank, which bank that provides the evaluation of the high value of a house or something benefit that related to the financial.”

Because of this, I think finances can influence the buyer to buy the house.

Owner's perspective: The manager of the house selling company also agrees that the buyer buys their house from the company, it is because of the price of the house and the quality. As the manager mentions that “the buyers buy the house from us, it is because we have the quality house with low price and also mention that buyers are very satisfied with our house, because we renovate almost everything and the house look quality does not have the big difference from a new house.”

Based on the interview, we found that buyers and owners have the same thinking that price is the important factor that can influence the buyer in Hat Yai,

Songkhla buys the house. while the agent thinks financial is important that makes a buyer buy the house.

Financial: This is factor is agreed by all buyer, agent and owner that financial can influence buyer to buy the house by all of the buyers, agents and owner as same as in Malaysian, the study by (Razak, Ibrahim, Hoo, Osman, & Alias, 2013) confirmed that financial consideration especially house price has a very strong influence on house purchase intention. While customers in Vietnam have not to weigh the financial factor as an important factor that can influence a buyer to buy the house.

Buyers perspective: Most of the buyer mention that Financial is the important factor influence them to make the decision faster, one of buyer mention that “ I do not have all the money to pay all of the house prices, I have to make a loan, as the house price is 1.69 Million baht, but TMB bank evaluates the house as this 2.1 Million of house value, as the bank evaluate it has higher than house price, having the right of loaning also get higher which is 95 percent of house value which is 1.9 Million. I am very happy with it because I can take the least amount of money to pay for the house furniture.” Another buyer also mentions that “Because of the sales team understand about the loan really well, sales team they do the comparison between the benefit of each Bank for me, even I have some information of loan, but I do not have much information as the sales team, this really impresses me”

Agents perspective: Both agents are agreed with Financial that can influence the buyer to buy the house. According to the message from the agents that “I have to update the information of loan of each bank as usual, but it is good that I was work for Bank before, I have a connection with the team in the Bank, it is not hard to get the information and I think buyers are impressed with this service.” Another agent also mentions that “I coordinated with the staff in the Bank to run the process for my buyers, most of the buyer does not understand the loan process, I think the buyer make the decision to buy with the house with me, it is because I have this service to them”

Owner's perspective: Manager of a sales house company is totally agreeing that financial is an important factor that can influence a buyer to buy houses. As she said that “we have financial loaning service, we gather the documents of both parties between the Bank and buyer, submit the document until getting the loan from Bank, we can do the process faster because we understand well with the process, and I worked with Bank more than twenty years.”

One-Stop Service

This company provides a one-stop real estate service handling everything from showing available houses to the transferring of house ownership. The customer just prepares the required document for financial approval.

Here is what a typical process looks like: Customer looks for houses on Facebook sales pages such as “Hat Yai Bantee page” “Sue-Kai Hat Yai Songkhla by hello Songkhla page” “Taladban teedin Hat Yai” etc. After that, the customer contacts the agent to make an appointment for seeing a house. They usually visit one to three times. This is their evaluation method. After that they will arrive at this Choice Making process, the customer decides to buy a house, the agent will ask for financial documents from a customer for checking the Credit bureau.

The documents required are the last 6 months of the statement, 6 months of slip salary, Personal Identification card, household registration and copy of a deed. If the customer has good credit, the bank will give the loan to the customer at 95% of the evaluated value of the house. It takes around 7 days to evaluate house value. This shows the process of the Bank evaluates house value. After that is the process of transferring the property via department land. the seller will go to the land department to transfer the house to the buyer. The seller and buyer have to split the payment of the transfer fee by half. The transfer fee is around 10,000 Thai baht to 20,000 Thai baht. A transfer fee of payment depending on the district. For example, Hat Yai district payment is around 19K but Klonghae district is 12K. The seller has to pay the business tax of housing which is

3% of the selling price if the seller has ownership of the house for less than 5 years according to the law.

Buyers perspective: Buyers think this newly identified factor is very important. Most of them reported that they do not know much about the process of buying and selling houses and financial loans. They like that the company and agents can provide them with answers to most of their questions about the process and what they have to do. They like that they don't have to do much and the company handles most of the work. It is very easy for them.

Agents perspective: Agents believe that a One-stop service is very important. It made the business look professional and have the image of an experienced provider. The agents have developed an efficient process where most of the deals went smoothly because they are in the business for a long time. They already have many contacts in banks, and relevant government offices so they can provide fast service to customers. This, they say, is what made customers very happy.

Owners perspective: The manager said many customers gave great positive feedback on the speed and ease of the service. "Customers say they don't have to do anything," she said. Customers like that the company can provide answers to any question's customers have and can provide technical information about the process such as required documents. "Customers just want to buy or sell houses, not be busy doing paperwork".

Location: There are two out of five buyers who agree with a location that influences them to buy the house in Hat Yai city, Songkhla province. As the results of this study of Banda Aceh City, Indonesia indicate that respondents have a good perception of price variables, design, location, purchase decisions and satisfaction post-purchase housing in Banda Aceh City. Then the research also proves that there is an indirect influence between price, design, and location on the satisfaction of the post-purchase of housing in Banda Aceh City through purchasing decisions. While in Saudi of study that investigate the factors influencing Saudi inhabitants to purchase real estate

and the results show that Attitude had a positive effect on the intention to purchase real estate, while the Location, Living Space, Public Service, and Reference groups namely (Friends Influence, and other Reference Group) had no effect on the relationship between independents and the customers' intention to purchase real estate among Saudis.

Buyer's perspectives: Base on the interview one of buyer mention that “I choose the house by location, it is because close to my workplace and my daughter school, it is conveniences for me in the daily day basis “Therefore, my own house is provided by the government, my place and my workplace was nearby, I has been getting used to with environment here. Even this house is more expensive than the others that are located a little bit far from here. I still choose this one.” Another one of the buyers also responds to the question that “I choose this house by location because I want to open a small restaurant here, so I choose this house, and I'm very sure this house is more expensive than the other located nearby the city.”

Agents perspective: Based on the interview one of the agents agrees with location is also important to factor that can influence the buyer in Hat Yai to buy a house. as she mentions that “some of my customers ask the house that is located in the city first and comes to see the house that is located in the city before looking at the house that located the nearby city.” Because this message from the agent can interpret that location as well as can influence the buyer to buy the house.

Owner's perspective: While owner does not think location is the primary important factor that influences buyer to buy house, as the manager mention “ Actually when we looking for the old house for renovating, I do not mind to find the house that only located in the city, but we also looking the house in everywhere, because Hat Yai city is not such a big city, the price is not big difference from the house that located in the city. Therefore, both the house located in the city and the nearby city is easy to sell.” Because of this Location is not the primary factor that the owner is concerned about.

To sum up, both buyers and agents do agree with Location that can influence the buyer to buy the house. while the owner does not think the location is the primary factor to influence a buyer to buy a house.

Quality

Buyer's perspective: Buyer mention that Quality is the important factor influence to buy the house. they mention that "I found that the house is renovated much and look like a new house" and also mention that "I do not know the age and I think the quality of house is good as similar as a new house and base on the knowledge renovate house will have longer color than the new house because of renovating house is paint double time than new house, so it makes the color stronger." Another buyer also mentions that "after we come to see the house and we notice that it is renovating well, the equipment in the house was new, only some part of the upper floor is still using the own one, and the more important thing is the house is the renovated with the quality product and use the modern one for example house has the floor with large tiles as more modern than ones with small tiles.

Agent's perspective: One of them is agreed with the quality of the house that can influence the buyer to buy a house. According to the message from the agents that "my customers not only compare the location of the house, they also compare the quality of a house, but they also went to see many houses before they make the decision, and sometimes asking me to change some equipment to a brand that has higher quality instead."

Owner's perspective: The manager also totally agrees with the quality of a house that can influence the buyer to buy the house. they pass the message that "I really believe in the quality of the house, before the renovate and after renovate is mostly different. We use the product with quality. I think that because our company builds the quality of house with affordable prices, it can attract the customer and once we post the selling house, not more than ten days, there are two or three buyers who make an appointment to see the house."

CHAPTER V

CONCLUSION AND RECOMMENDATION

The renovated house market in the Hat Yai city is quite booming in some groups of the population of the city. The type of house is mainly Shop House and the price range in the market starts from 1.5 to 2.2 Million baht. Mostly, the houses have two floors or one and a half floors.

This business is mainly serving the target group that wants to buy their first home. These are consumers who want to be separated from their parent's house and looking for their own house with their own family, a customer who has been renting the house and want to have their own house, etc. Based on the interview with three of the buyers, one of them is having a baby, two of them are just married. Hence, renovated houses can still have the clarity of market positioning and target the right groups. The choice of agents and sales staff is also important because they have to communicate to the customer with the right messages and prepare information. Agents and sales staff have to have a positive image. After all, they are the front-end of the business directly in contact with the customers.

From the in-depth interview and the subsequent analysis, the most important factors that can influence the buyer in Hat Yai are price, financial, and one-stop service, followed by minor factors which are location and quality while the age of the house is not a significant factor.

For the most part, all the parties agree about what buyers need and want which are price, financial, one-stop service, location, and quality. However, there is one factor, Location, which only two parties, buyer and agent, have a similar understanding that location is important, but the owner does not think that the customer also chooses the house by the location as well. This may be because of lacking communication

between the agents or the sales team and owner. Passing information to the head or to the owner is very important.

In contrast to major cities like Bangkok, the location factor is less important in Hat Yai. One reason may be that the city is relatively small and people can get around from one side to another very easily. Indeed, the total area of Hat Yai is about half that of Bangkok. Furthermore, Hat Yai's population is only 1 percent that of Bangkok's, making traffic congestion low to non-existent, (Google, 2012) (Mangbanglo, 2010).

Meanwhile, none of the parties think the Age of house factor is important to factor that can influence the buyer to buy the house. Moreover, a buyer does not consider the house should be a new house or renovate a house. They choose the house because of other factors.

For the channel of the selling-buying house for a customer in Hat Yai city, customers use the online channels as the main channel for searching a house, especially on the Facebook page. Owner and agents have their own page so the owner tries to sell the house by herself and also use agents as a distributor because the owner knows that the agents have collected the members for their own page which are often different from a member of the owner's page. Hence, the owner uses both channels to distribute their products and services.

Recommendation

From the interviews and analysis, I found that the most important factors are price, financials. Location and quality are also important, but less so. Here are my recommendations to relevant parties.

To owner

Have a reasonable price (value for money): Keep providing good value for money since the result of this study suggests that the price is a very important factor that influences customers to buy houses. One customer said "I want the house which has two floors and the price not higher than two million baths, but most of the new house has

the price higher around 1 Million as I bought this house only 1.69 Million but the new house is 2.5 Million Baht”

Maintain a one-stop service: To keep providing services for all the process because customers reported that they do not know much about the process of buying and selling houses and financial loans. They like that the company and agents can provide them with answers to most of their questions about the process and what they have to do. They like that they don't have to do much and the company handles most of the work. It is very easy for them.

Developing the online market channel: As the result suggests that customers use online as the main channel for searching for the house, especially via Facebook. The owner should do some campaign on the Facebook page, create some activity on the page, to get more members or keep posting the house or good content that would be beneficial to the customer (content marketing). The owner should not stop the communication via the Facebook page. They also should consider advertising on Facebook to reach more customers. This is the most important thing for them to do because if they find a customer by themselves, they do not have to split the profit with the agent.

Have a sales team or agent with a service mind: Since the agents take a big cut of the profit, they should be adding a lot of value for the customer. Based on the interview, I found that buyers are happy to have the sales team and agent with the service mind. This is their uniqueness that customers are impressed with. When I have a conversation with the buyer, when they talk about the sales team, they look impressed with the services that the sales team has been providing to them. And mention that “last time I contacted to the sales to come and change the light for me, after an hour they send the technician to my house because I am not comfortable to change it by myself because I am pregnant, I am really impressed with it” another buyer also mention that “it is easy to reach to the sales team once I have the question and I got to solve the problem which is clear message”. Currently, the company seems to have good agents. They should aim to keep it that way.

Give more consideration to the location factor: Since everyone else, including customers, think the location is also important, the owner should consider this factor as important as well. She can do this by finding out which location customers like and try to develop near those areas. Though other factors like the price are more important, as the economy grows, more competition is likely so the owner should do everything she can in order to best serve the customer.

To Agents

Selling is a service. To be successful, agents should add value to the owner such as good service to customers, wide network, and, especially, higher sales. Since they take a big cut of the profit, adding massive value will ensure that the owner will want to keep them as partners.

Having a wide network and Focusing online: Agents should focus on the network, getting to know people and collecting the members as much as possible. The age of door-to-door sales is pretty much over. They should focus most of their efforts online, mainly on Facebook. Adding more members to their group will eventually lead to more sales. The Facebook marketing recommendations for agents are similar to those recommended to the owner, mainly good content marketing, ads, etc. If possible, they should try to get members not already part of the owner's network.

Build a relationship with the customer: Since Hat Yai is a relatively small community, they should serve the customer as a family member. A large part of the agent's value is service since they have more time close to the customers than the owner herself. A good relationship generates positive word-of-mouth that will go a long way to generate more sales.

To Customer

According to the interview, interviewees believed that one stop service is an important factor. So, I would like to recommend that customers prepare the required documents for the financial approval early. They have to prepare their account

statements and credit bureau to be credible so that their loans can be approved by the bank.

Limitations and Future Research

Since this study was research on the factors that influence Hat Yai customers when buying houses, the results may not apply universally in every city. Limitations were found but many could not be fixed as conditions in the research especially because of time and budget. Therefore, another deeper factor also cannot go deeper. For example, the demographics of the buyer. The research involved the only limit of the buyer, agent, and owner. In the next research, to do the research in the big city and should be included a greater number of all the parties, and the conducted the location are Chiangmai in the North, Phuket in the south. These cities should be economic cities, their economies were a good, beautiful place, a lot of foreigners in the city. There is a big difference in the background, occupation, and income of the population.

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