HOUSING ATTRIBUTES AFFECTING HOUSE PURCHASE DECISIONS AMONG UNIVERSITY EMPLOYEES IN GAZA STRIP, PALESTINE.

by

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<td>GDP</td>
<td>Gross Domestic Product.</td>
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<tr>
<td>PCBS</td>
<td>Palestinian Central Bureau of Statistics’</td>
</tr>
<tr>
<td>UNRWA</td>
<td>United Nations Reliefs and Work Agency.</td>
</tr>
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<td>PHC</td>
<td>Palestinian Housing Council.</td>
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<tr>
<td>MOH</td>
<td>Ministry of Housing.</td>
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<tr>
<td>PNA</td>
<td>Palestinian National Authority.</td>
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<tr>
<td>IV</td>
<td>Independent Variables.</td>
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<td>DV</td>
<td>Dependent Variables.</td>
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<tr>
<td>MPWH</td>
<td>Ministry of Public Work and Housing.</td>
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<td>PECDR</td>
<td>Palestinian Economic Council for Development and Reconstruction.</td>
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CIRI-CIRI RUMAH YANG MEMPENGARUHI KEPUTUSAN PEMBELIAN RUMAH DI KALANGAN PEKERJA UNIVERSITI DI TEBING GAZA, PALESTIN

ABSTRAK

kerajaan, serta institusi-institusi akademik. Untuk memenuhi kehendak pembeli rumah dengan lebih baik dan lebih berdaya saing, kumpulan pemasaran boleh menggunakan hasil kajian ini untuk memberi lebih tumpuan kepada faktor-faktor pembelian rumah yang banyak mempengaruhi keputusan pembeli-pembeli rumah. Seterusnya, hasil kajian ini juga dapat membantu kerajaan untuk merangka polisipolis perumahan yang lebih bersesuaian.
Factors affecting housing purchasing decisions are of great importance worldwide. This study will investigate the factors influencing Palestinians' decision to purchase houses in Gaza Strip. The study examines the effect of intrinsic and extrinsic housing attributes on the decision to purchase houses. The extrinsic housing attributes at this study consist of three attributes (Environmental attributes, location attributes and exterior design and space). While previous studies have investigated many aspects of the decision-making processes of home buyers worldwide, we have a limited understanding of the purchase behavior of Palestinian home buyers in Gaza Strip. The data collection method of email survey was used in this research. A questionnaire was developed using items taken from previous studies but applied specifically to Gaza people. Based on 137 questionnaires, the data was analyzed using factor analysis and logistic regression. The results show that critical housing attributes, location attributes, private rooms, the house price and essential locations positively influence housing purchase decisions. This study contributes to an improved understanding of home buyers’ decision making in Gaza. The beneficiaries of this study include all participants in the housing market from potential home buyers and house owners to housing builders/marketers and government policy regulators, as well as academic institutions. To better meet homebuyers’ needs and achieve a competitive advantage, marketers can use the research outcomes to focus more on those housing purchase factors that significantly influence homebuyers’ purchase decision making. Further, the outcomes of this research could also assist the government in developing more appropriate housing policies.
CHAPTER ONE

INTRODUCTION

1.1 Introduction

A house is valued as the basic need for every individual (Aragonés, 2002). It is not considered as just a place keeping people safe from dangers, it is also considered as a shelter that humans can find themselves (Betchel, 1997; Aragonés, 2002). It is defined as a place where most of the events happen in which community relations are created and developed (Aragonés et al., 2002). In addition, a house presents cultural and social principles where the thoughts of people and culture are created and improved. A house has vital importance for people; therefore, it is significant for a household to discover an appropriate and comfortable house for living (Spetic et al., 2005). To develop a housing unit that accommodates the requirements of customers, it is necessary to recognize the house buyers’ characteristics.

There is no doubt that the housing sector is considered a basic activity in any economy (Cox et. al., 1998). The housing market in Palestine showed a considerable growth since 1967, its share in the economy increased from less than 9 % in 1985 to more than 23 % in 1994. During that period, the sector’s contribution changed in an upward long-run trend bounded by 9 % and 19 % from 1970 to 1980, and by 15.2 % and 23 % from 1989 to 1994 (Abdallah, 1994). From 1991, the housing market experienced a steady increase to provide living areas for Palestinian returnees from the gulf after the first gulf war. The expansion continued in 1994 due to the peace process, in particular after the return of Palestinians with the Palestinian National
Authority (Abdallah, 1994). The increase of housing activities has created numbers of jobs for skilled, semi-skilled and unskilled labors (LACS, 2010). So working in the housing market is one of the basic sectors that achieved high growth rate and played very important role in the Palestinian labor force (Ferries, 2013).

The need for purchasing houses is considered a basic need and has increased, in special, after the wars in 2009, 2012 and 2014, which resulted in damaging thousands of houses thus the need to rebuild the houses is on demand (UNRWA, 2015). Analyzing the housing needs and wants requires a detailed realization of the criteria of homebuyers’ choice and the attributes towards housing choices so they can satisfy consumers’ needs and wants. In addition, housing attributes, which include extrinsic and intrinsic attributes, consider as main factors that affect the house buyers need in their houses (Zeng, 2013).

To survive in the housing market, the builders and marketers must improve the standards and satisfy the needs of home buyers, the perceptions of home buyers and choice criteria which are enormous (Spetic et al., 2005; Fierro et al., 2009). The criteria involve different considerations such as house conditions and the environment. Further, understanding the factors that influence homebuyers purchasing decisions can help housing suppliers to achieve sustainable competitive advantages.

1.2 Background

This study explores the housing attributes that have a direct and indirect impact on house buyers purchasing decision. The housing attributes which involve intrinsic and extrinsic attributes can determine the purchasing decisions for the house buyers (Kotler & Keller, 2009).
There are a lot of options available to consumers, yet they cannot be responsive to all options during purchasing decisions process. Consumers are able to define the product attributes that they consider the most valuable to them, determine the degree of importance of these attributes and then evaluate their readiness to pay (Kotler & Armstrong, 2009; Kotler & Keller, 2009).

In previous studies, different housing attributes that affect consumers’ housing purchase decisions have been suggested. Identifying the housing attributes is considered the basic stage to define the importance for consumers. Housing attributes include intrinsic and extrinsic housing attributes. These attributes have been included in different studies. Intrinsic attributes include the type of housing, the age of housing, the number of living rooms, the number of bedrooms, the number of bathrooms, house style, house design, housing typology, air conditioning and others (Fierro et al., 2009). Extrinsic attributes involve exterior space, environmental attributes, location of facilities and services and neighborhood that affect the purchasing decisions of houses for consumers (Cheshire & Sheppard, 1995; Pasha & Butt, 1996; Greene & Ortuzar, 2002; Cupchik et al., 2003; Bhatti & Church, 2004; Chay & Greenstone, 2005; Fierro et al., 2009; Opoku & Abdul-Muhmin, 2010; Zeng, 2013).

Housing purchasing process is affected by the intrinsic housing attributes (Cheshire & Sheppard, 1995; Cupchik et al., 2003; Chay & Greenstone, 2005; Fierro et al., 2009). Others indicated that housing purchasing process is affected directly or indirectly by the extrinsic attributes (Alonso, 2002; Wilhelmsson, 2002; Bhatti & Church, 2004; Chay & Greenstone, 2005; Spetic et al., 2005; Seko & Sumita, 2007; Fierro et al., 2009; Opoku & Abdul-Muhmin, 2010).
Providing consumers with houses, which satisfy their needs and wants, is the responsibility of developers and marketers in the housing market. Each individual has different criteria in choosing his/her houses and their intrinsic and extrinsic housing attributes, which are considered the main factors that affect their purchasing decisions (NRC, 2012).

Since this study focuses on housing in Gaza Strip it is important to mention that housing market has various impacts on the Palestinian economy in different aspects. The housing market largely contributes to the Palestinian economy, where it comes to a number of jobs (ECCP, 2015). Further, it is considered an important component of Gross Domestic Product (GDP). The housing market in Gaza Strip is influenced by several factors such as high unemployment, poverty rate, government policies, and borders closure. The residential housing sector share in the GDP decreased from 9.6% in 1994 to 3.3% in 2009 because of the previous reasons. The housing market sector suffered from different external shocks that influenced the entire economic sector and social conditions in Gaza Strip (Mayors, 2007). During that period, several factors lead to the decrease in the size of the housing market. In fact, border closures that prevented importing the materials from outside Gaza resulted in the lack of materials in the local market and lead to business failures in Gaza Strip (UNRWA, 2015).

Furthermore, the value added of the housing sector in Gaza Strip has decreased from US$ 130.1 million in 2005 to US$ 38.5 million in 2009; this is due to the siege that Gaza Strip suffered from since 2007 (LACS, 2010). However, during the period of 2010-2011, the contribution of the housing sector to the GDP has increased from 7.4% in the first quarter of 2010 to 11.3% in the third quarter of 2011 (Ferris, 2013). The growth in the housing sector in Gaza Strip during
that period could be attributed to Israel relative ease of siege in terms of partially allowing construction materials into the Gaza Strip (OCHA, 2015). Moreover, the tunnels, which have been built between Gaza Strip and Egypt, helped to import building materials at cheap prices (Kolezynsk, 2014). The high growth rate in Gaza Strip refers to the combination of aid inflows, restriction easing from Israel and increase import from tunnels. Numbers show that the housing construction output is estimated to have increased more than 141% in the first three-quarters of 2011. This growth in the construction and housing sector has led to a reduction in the unemployment rates due to more jobs resulting from investment in housing and building sector (UNRWA, 2015).

Gaza during the last four years has suffered from different wars, 2012 and 2014 wars, which lead to the destruction of more than 100,000 houses in Gaza Strip. This resulted in an increase in the demand for houses by (50%) and led the concerned institutions to work hard to support rebuilding the houses. The foreign aid and the permission from Israel to import building materials have led to the development and growth of the housing market sector in Gaza Strip (UNRWA, 2015).

Because of the internal political problems that Gaza Strip has been facing for many years, having a full list of housing companies is very difficult (Ferris, 2013). So the only published names of individuals who are government salaried servants who are working in Gaza Strip and receive their salaries from the government itself such as doctors, lecturers and civil employees who belong to government institutions (Ferris, 2013).

This study has investigated the university employees’ purchasing decision towards buying houses. Universities employees in Gaza Strip were selected due to the fact that they were not affected by the political problems. After the political
problems that happened in 2007, these employees received their salaries regularly, but the rest of governmental employees are taking their salaries from two sides in Gaza because of the political divisions. Moreover, half of them belong to Hamas government have not received their full salaries for about two years ago due to financial problems facing the government. To the best of my knowledge, no single study has addressed the housing attributes affecting purchasing decision of the universities employees in Gaza Strip. Further, this study focused on them for many reasons. Firstly, from an economic perspective, university employees have the purchasing power so they have the ability to purchase the products and services they need. Secondly, from a social perspective, houses are considered a basic need for prestige perspective for them. Thirdly, from a political perspective, university employees and lectures are the largest group in the university who are very aware of all rules and any updates from the government (Ferris, 2013).

1.3 Problem Statement

The need for having a suitable house has made the housing market very dynamic since it is a primary human need just like water and air; it is on the top of social development priorities due to its importance to every individual. With the advancement in the life competitive environment, the housing needs and expectations had enormously changed. Nowadays, consumers are becoming very aware of housing purchasing decisions in order to fulfill their needs and desires (Zeng, 2013).

Gaza during the last four years has suffered from different wars, 2012 and 2014 wars, which lead to the destruction of more than 100,000 houses in Gaza Strip. This resulted in an increase in the demand for houses by (50%). The permission from
Israel to import building materials have led to the development and regrowth of the housing market sector in Gaza Strip (UNRWA, 2015).

So, the people who receive consistent salary in this research are faced with the choice between housing purchasing decisions and non-purchasing decisions. In another word, housing purchasing decision is the main variable in this research and extrinsic and intrinsic housing attributes are considered the major factors influencing purchasing decisions for houses.

The research problem regarding the connection between homebuyers purchase decisions and housing attributes has not been previously discussed in the housing market in Gaza Strip.

1.4 Research Questions

The basic question is: What are the housing attributes that affect homebuyers purchase decisions?

Sub Questions:

1. What are the intrinsic housing attributes that have an influence on housing purchase decision?

2. What are the extrinsic housing attributes that have an influence on housing purchase decision? The extrinsic housing attributes have three types included in the following sub-questions.

2.1 What are the extrinsic exterior design and space attributes that have an influence on housing purchase decision?

2.2 What are the extrinsic environmental attributes that have an influence on housing purchase decision?
What are the extrinsic location facilities and services attributes that have an influence on housing purchase decision?

1.5 Objectives

To find out the major housing attributes that have an effect on housing purchase decision. This objective is divided into the following sub-objectives:

1. To investigate the intrinsic housing attributes that have an effect on housing purchase decision.

2. To investigate the extrinsic housing attributes that have an effect on housing purchase decision.

1.6 Hypotheses

H 1. Intrinsic housing attributes have influences on house purchase decisions.

H 2. Extrinsic housing attributes have influences on house purchase decisions.

H 2.1. Exterior design and space attributes have influences on house purchase decisions.

H 2.2. Environmental attributes have influences on house purchase decisions.

H 2.3. Locational attributes have influences on house purchase decisions.

1.7 Study Framework

In this study, there are two variables involved. These variables as follows:

1. Independent Variables (IV) are the set of factors that control the dependent variables and their values might be altered or changed separately of other variables. This study presents housing attributes as independent variables.
2. Dependent Variables (DV) are the factors that need to be explained or predicted. Their values will change depending on the changes occurred in the independent variable. DV in this study is housing purchasing decisions.

![Diagram showing IV and DV relationships]

**Figure 1.1**: The framework of the study.

1.8 Research Aim

The aim of this research is to identify the main housing attributes that have an influence on housing purchasing decisions for consumers.

1.9 Brief Outline of Methodology

This study focuses on studying the housing attributes that affect housing purchasing decision in Gaza Strip.

Quantitative research methods were used to study the factors that affect the housing purchasing decision. The objective of this study is to test the hypothesis not to propose a new theory, as the variables here are quantifiable and measurable and generalization can make from the sample.

The first step for this study was literature review to get general information and background through defining the research problems and developing the hypothesis for
testing. A Literature review of previous studies included studying the factors affecting housing purchasing decisions.

This study used a questionnaire to gather data from respondents who shared their decisions and opinions on their plan and preferences in purchasing a house. The hypothesis of this study is to confirm that housing purchase decisions are influenced by intrinsic and extrinsic housing attributes. The questionnaire consists of different parts; the first part is related to demographic and housing information that include age, gender, education, occupation, marital status, family size and number of children at the home. The second part is related to both intrinsic and extrinsic housing attributes. The sampling strategy for this study includes different stages. The first one is to define the target population that consisted of potential homebuyers or homeowners who live in Gaza Strip. The sampling frame was from employees at AL- Aqsa University for different reasons were discussed in this study. After a pilot study, based on stratified random sampling procedures, around 400 surveys were sent by email to 400 employees, 140 surveys were returned.

The analysis was conducted using SPSS and several tests were performed such as reliability, descriptive statistic, factor analysis and logistic regression.
1.10 Study Scope and Limitations

Gaza Strip is the main analysis setting for this study. The information assortment is related to housing buyers in Gaza Strip and the sample was taken from university employees in Gaza Strip. The stratified sampling used during this study comes from the university employees in Al-Aqsa University to solicit their opinions about the attributes affecting housing buying decision making using self-intercepted survey. This university was selected because it is considered as the only governmental university in Gaza Strip and it has the largest academic programs. The employees in this university did not suffer from the political problems in Gaza Strip since 2007 and all of them receive their salaries monthly on a regular basis. This study focuses on respondents who receive consistent stream of income. Further, this study was in Gaza Strip, which now has a steady growth in the housing market because of the need for houses after wars that led to the destruction of house.
Therefore, the results of this research are acceptable to apply in Gaza Strip and other countries.

In addition, this study focuses on examining the attributes in order to examine how the consumers evaluate the alternatives among housing attributes in order to make the purchasing decisions. Therefore, this study focused on studying the housing attributes. The full purchase decision process involves five stages: problem recognition, searching for information, evaluation of alternatives, purchase decision and post-purchase behavior. This research focuses on the evaluation of alternatives and purchase decision. This research studies how the homebuyers evaluate the alternatives and how they make their decisions. This research did not focus on the first two steps and the last step. Moreover, this study has a variety of restrictions such as time, monetary constraint, difficulty in data collections, as well as the practical and theoretical consideration. A serious downside encountered throughout the analysis was the lack of literature related to the housing market in Gaza Strip and difficulties in gathering data due to continuous electricity cutting in Gaza Strip.

1.11 Significance of the Study

The significance of this study can be derived from the theoretical and practical point of view. From the theoretical part to date there is a lack of literature review that reflects the factors affecting housing purchasing decisions in Gaza Strip. Hence, the instrument that is used to describe and study the housing attributes of housing purchasing decisions will contribute to the references and data of previous studies concerning purchasing decisions. The procedures used in this study will focus on the housing attributes affecting housing purchase decisions, so the findings from this study might increase and add to the contents of information in the consumer
behavior area by explaining the link between intrinsic and extrinsic housing attributes and housing purchases decisions. Previous studies have generally examined the housing attributes in western countries. However, such studies are rare in the Middle East area and Arab countries. Therefore, this study will add more richness to the dimension of purchasing houses. Besides, this study focuses on studying both of intrinsic and extrinsic attributes. In addition, the three types (Environmental attributes, exterior design and space and location facilities and services attribute) of extrinsic attributes are added to the model of this study. It is believed to be one of the very few studies were undertaken in Arab countries and in Palestine in this topic.

From a practical side, the results of this research are important, for house buyers, housing marketers, and government. Consumers can implement the results of this research to choose the attributes that are most valuable in order to make the purchase decisions. Further, marketers are expected to learn more about how to satisfy customers’ needs and wants and then devise new ways to continue growing with the housing industry. So, this research might be used as an example of marketing research, in especial, by using the variables of housing attributes. Governments may use the outcomes of this research for the development of policies. The research also attempts to contribute to the knowledge body regarding purchase decisions by understanding how houses buyers evaluate and choose the alternatives by focusing on the relation among housing attributes and their effect on houses purchase decisions. The results of this research can be applied on different countries.
1.12 Terms Definition

The Process of Purchasing Decision: Is a process that leads to choosing among different alternatives and it consists of five stages: Problem recognition, information search, alternatives evaluation, decision making and post purchase decision.

1. Consumer Behavior: It is the way that individuals and groups select, buy and use the goods and services in order to satisfy their needs and wants.

2. Home Buyer: The homebuyer in this research is defined as a consumer who is part of the process of buying a house.

3. Housing Attributes: In this study, they include both intrinsic and extrinsic housing attributes. These attributes will be explained later in this research.

4. A purchase Decision: Is defined when the buyer pays in order to purchase the product after making all the financial arrangements during a specific time.

1.13 The Structure of the Thesis

This thesis is organized as follows: Chapter 1 is an introduction background. It includes research objectives, scope and limitation, the significance of the study as well as brief outline related to research methodology. A literature review is given in chapter 2. Chapter 3 introduces in details the research methodology used to achieve the objectives of the study. Results and discussion are given in chapter 4. Finally, chapter 5 focuses on problem statement conclusion, recommendations for future work and limitations of the study.
1.14 Summary

This chapter discussed different areas, starting with a general introduction to the topic, then background that discussed the main points of housing in Gaza Strip. Research objective, questions and hypothesis were also given in this chapter. Explanation of terms of variables used in this study was given. A brief outline of the methodology was given. The Significance of this study and scoop and limitation for this study were discussed. The last section of the chapter described the structure of this thesis.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
The aim of this chapter is to explain the problem statement through a literature review, to expand the knowledge of the research title and to provide a model for explaining the research problem. The chapter is divided into three sections. Section 2.2 will elaborate the theory on consumer behavior and the purchase decision-making process in general. Section 2.3 will focus specifically on consumer choice in purchasing of a house. Finally, the housing market in Gaza will be detailed in section 2.4.

2.2 Consumer Behavior and Purchase Decision-Making Process
This section explains the consumer behavior theory through explaining different literature review then explaining the meaning of decision-making process then defining the basic factors influencing purchasing decision-making. Studies of homebuyers purchase choice dealt with homebuyers as consumers through several activities such as selecting, purchasing and benefiting from the products (Fierro et al., 2009; Opoku & Abdul-Muhmin, 2010). This research defined the homebuyers as consumers and focused on purchase decision making.

Most of the studies reported that purchasing decisions always respond to questions related to how, where, when and why consumers buy their products (Kotler & Armstrong, 2009).
2.2.1 Consumer Behavior Definition

Generally, the consumer is defined as a person who has a budget that can help him purchase goods or services available on the market for different uses. On another hand, the behavior includes the ways of meeting adequate wants and needs. Such behavior is directly related to consumer environment. The purchaser is a critical performer available to be considered for any organization trying to succeed in a competitive environment. Therefore, it is fundamental to each organization, to comprehend and adjust to purchasers on how they are settling on their decisions and how they act. In order to succeed in marketing, it is critical to understand the consumers’ behavior and their response to the activities, which are straightforwardly included in acquiring and consuming products and services (Solomon, 2009).

According to Solomon (2009), consumer behavior is studying all the process taken when individuals select, purchase and use products, services or ideas in order to fulfill wants and desires.

Personal and psychological dimensions are referred to as internal factors while cultural and social dimensions are referred to as external factors. Both factors influence consumer purchase decision and behavior. Consumer behavior is described by different theories that discuss different motives that lead the consumers to purchase and select. The drivers contain psychological, sociological, economical and stimulus-response models. All of the models are somehow related (Solomon, 2009). Consumer behavior studies the behavior of the consumer and the reasons for that behavior. From different levels, marketers are interested in society’s values, beliefs and demographics that affect the consumer interaction with the marketplace.
Blackwell et al., (2006) defined consumer behavior as activities people undertake when obtaining, consuming and disposing of products and services. Further, Kotler & Keller (2009) and Solomon (2009) defined it as the procedures and process that consumer follows to satisfy his/her desires and needs. Other definition of consumer behavior “consumer behavior in seeking, purchasing, using, evaluating and disposing of products and services that they expect to satisfy their personal needs” (Schiffman et al., 2012). Alternative definition of consumer behavior is the totality of customers' choices regarding the securing, utilization, and transfer of merchandise, activities and individuals by human choice (Hoyer & Macinnis, 2010).

The definition of consumer behavior as used in this research is the study of how the consumers choose, use, buy and dispose of activities, ideas, goods and services in order to attain their needs and wants. It is to be noted that, a complete explanation of decision-making process helps marketers to understand the needs and wants of customers to improve successful marketing.

2.2.2 Consumer Behavior Model

Consumer behavior model has been utilized to explain the reasons that consumer decides to purchase goods or services (Quester et al., 2011). Model of consumer behavior explains the reason of having behavior patterns towards goods or services. The most common consumer behavior model is shown in Figure 2.1.

Decision-making process and purchase decision result from consumer’s consciousness, and psychological characteristics (Kotler & Keller, 2009). The consumer psychological characteristics include (motivation, perception, learning, and memory) social characteristics, cultural characteristics, and personal characteristics that affect the response of consumer (Kotler & Keller, 2009). The stimulus–response
model is a general and familiar consumer behavior model used in marketing. The stimulus–response model helps to explain the procedures that occur with the consumer during making the final purchasing decision. Figure 2.1 shows consumer behavior model.

![Figure 2.1: Consumer Behavior Model](source: Adapted from Kotler and Keller 2009, p. 162.)

### 2.2.3 Purchase Decision Making

Purchase decision-making process includes several stages. These stages are as follows:

#### 2.2.3.a Problem Recognition Stage

The first stage in purchasing decision is problem recognition stage. When buyers start recognizing a need because of internal and external motives. Then they recognize the differences between their desires and their needs. After determining the real needs, customers activate the decision-making process (Quester et al., 2011).
The customer is not able to move to other stages when problem recognition stage is not inspired. The problem recognition stage is active if the desires exceed the actual needs so this can lead to consumption of products and services.

Among the studies of the problem recognition stage, Fung et al., (2010) studied the housing market in China and Rahman (2010) analyzed the housing market in Australia, they found that there is a need for the best residential conditions. Because of relative the importance of the problem, the customer sometimes cannot be stimulated to leave this stage to other pre-purchasing stages, even if there are enormous differences are between the desires and actual needs (Neal & Quester, 2007). For the consumer, time, budget, relative importance and place are important concepts. The importance level is defined by determining the importance of the problem to achieving the consumers’ desires life style (Quester et al., 2011).

Different studies describe that houses purchasers are controlled by the income of consumers compared to the price of the house. In other words, if consumers do not have sufficient money to pay the minimum allowed payment, the purchasing of housing process will not move to the next stage, even if they need to improve the conditions of their lives (Fierro et al., 2009). Figure 2.2 shows the problem recognition process.
2.2.3.b Searching For Information

The second stage of the decision-making process is searching for information. After problem recognition stage, consumers need to select information that can help them to find solutions to their problems, reduce risk and uncertainty to achieve a buying process (Hoyer & Macinnis, 2010). The consumer collects different solutions and then starts comparing the advantages and disadvantages of each solution to select the best one. The solution that can be achieved from the personal side is called an internal search, and the rest are considered external search process (Schiffman et al., 2012).

In order to solve the problem that the consumers have identified, they must search the relevant criteria of every potential solution. This stage ends when the consumer finds the best solution to the problem (Quester et al., 2011).
Information is collected from different resources and channels such as personal resources such as friends, family members, government and advertising marketing sources (East et al., 2008; Hawkins et al., 2011). Figure 2.3 shows the information search process.

![Information Search Process Diagram]

**Figure 2.3: Information Search Process**

*Source: Adapted from Quester, Pettigrew, Hawkins 2011*

2.2.3.c **Evaluation of Alternatives**

This stage is related to specific standards, which are attributes of products, and services connected to the benefits that consumer’s desire or the cost they intend to pay (Webb, 2008). Evaluative criteria include factors such as weight, size, quantity, quality, function, brand, ease of use, warranty and the service after the sale. The ways of evaluating the alternatives depend on the way of satisfying the needs from a product or service. Product attributes availability, lack of funds and brand name are factors that may influence the evaluation of alternatives (Hoyer & Macinnis, 2010). The criteria for evaluation and the rules of purchase decision will be different owing to differences in consumer’s thoughts, experience and memories to select the best products or services that satisfy their needs.
In brief, consumers determine the criteria that they will use to evaluate a product or service and compare the criteria of each alternative. Therefore, according to consumers’ individual decision-making process, they choose the products that can achieve the best for them (Wang, 2011).

Various studies attempt to explain the rules of the decision of homebuyers, the standardized criteria and explain how the consumer determines the attributes and make the final decision. For example, some studies showed that homebuyers prefer attributes of perceived value, and they have a readiness to pay for these housing attributes (Greene & Ortuzar, 2002; Opoku & Abdul-Muhmin, 2010; Wang, 2011). Figure 2.4 shows the evaluation process.

![Evaluation Process](source: Adapted from Hawkins, 2011)

Figure 2.4: Evaluation Process

Source: Adapted from Hawkins, 2011

2.2.3.d Purchase Decision

After the evaluation stage of the purchasing process, a purchase decision is made. Consumers compare preferences between the products in the choice set. Then they have the readiness to purchase the suitable thing for them (Kotler & Keller, 2009).
Matching the characteristics of consumers and the characteristics of the products are the rule of determining the specific product. Depending on the purchase type, the consumers could define number of criteria to determine the best product for them (Blackwell et al., 2006). Figure 2.5 shows the purchase decision process.

![Purchase decision process diagram](image)

**Figure 2.5:** Purchase decision process

*Source: Adapted from Hawkins, 2011*

### 2.2.3.e The Post-Purchase Process

Consumers are considered so critical to different activities such as choosing, purchasing and using of products and services. In other words, consumers play different roles in the process of consumption as buyers and users. The post-purchase evaluation of the attributes and performance of products or services is considered as customer satisfaction (Longenecker et al., 2010).