

**APPLYING THEORY OF PLANNED  
BEHAVIOUR IN PREDICTING HOUSE  
PURCHASE INTENTION IN GAZA STRIP**

**BISSAN M. E. SBAKHI**

**UNIVERSITI SAINS MALAYSIA**

**2019**

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by

**BISSAN M. E. SBAKHI**

**Thesis submitted in fulfilment of the requirements  
for the degree of  
Doctor of Philosophy**

**October 2019**

## **ACKNOWLEDGEMENT**

I would like to express my gratitude to my supervisors Dr. Muneera Esa and Associate Professor Dr. Mohd Wira Mohd Shafiei for their supportive guidance and valuable recommendations during my study. I would also like to express my gratefulness to them for their advices on proper research techniques and valuable consultations, which were helpful in carrying out this project. I gratefully thank Universiti Sains Malaysia (USM) for giving me the opportunity to study, conduct my research, and completing this work. I thank the University's library staff for their assistance with the study materials. Last but not least, I sincerely thank my friends for their support and unparalleled help in data collection and analysing the data. Most of all, I am deeply grateful to my husband for his encouragement, motivation and financial support, no word can express my thanks for him. In addition, I am so thankful for my parents for their support and Duaa. I am deeply grateful for my father in law who helped me in the data collection. I am deeply grateful to my family (sisters and brothers) in Palestine. Finally, I am so grateful to my lovely kids (Yousuf and Maryam) for their nice spirit during my study.

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## LIST OF ABBREVIATIONS

AVE	Average Variance Extracted
CB-SEM	Covariance –based Structural Equation Modelling
GCC	Gulf Cooperation Council
ICESCR	International Covenant on Economic, Social and Culture Rights.
IDB	Islamic Development Bank
MHPW	Ministry of Housing and Public Works
ML	Maximum Likelihood
OCHA	United Nation Office for the Coordination of Humanitarian Affairs
PA	Property Attribute
PBC	Perceived Behaviour Control
PCBS	Palestinian Central Bureau of Statistics
PHC	Palestinian Housing Council
PLS	Partial Least Squares
PS	Property Surrounding
PV	Property View
SD	Standard Deviation
SE	Standard Error
TPB	Theory of Planned Behaviour
TRA	Theory of Reasoned action
UNDP	United Nation Development Programmed
UNRWA	United Nations Relief and Works Agency for Palestine Refugees
VIF	Variance Inflation Factor

# **APLIKASI TEORI PERILAKU TERENCANA DALAM MERAMALKAN TUJUAN PEMBELIAN RUMAH KEDIAMAN DI SEMENANJUNG GAZA**

## **ABSTRAK**

Faktor-faktor yang mempengaruhi niat pembelian rumah kediaman adalah sangat penting di seluruh dunia. Kajian ini bertujuan mencari faktor-faktor yang mempengaruhi niat pembelian rumah kediaman di Semenanjung Gaza. Menggunakan teori Ajzen tentang perilaku terancang, kajian ini mengkaji faktor-faktor yang berbeza iaitu sikap, pengaruh rakan, pengaruh ibu bapa, pengaruh pasangan, pengaruh anak-anak, tanggapan terhadap kawalan tingkah laku dan kualiti perkhidmatan perumahan. Selain itu, kajian ini turut mengkaji sama ada status pelarian (pelarian atau bukan pelarian) berperanan menyederhanakan niat pembelian. Walaupun sebelum ini telah banyak kajian yang dilakukan untuk mengkaji pelbagai aspek niat pembelian pembeli rumah di seluruh dunia, namun kefahaman mengenai niat pembelian rumah kediaman dalam kalangan penduduk di Semenanjung Gaza adalah masih sangat terhad. Kaedah pengumpulan data melalui tinjauan e-mel digunakan dalam kajian ini. Soal selidik telah dibangunkan menggunakan butir-butir yang diambil daripada kajian terdahulu yang telah diguna pakai secara khusus di Semenanjung Gaza. Berdasarkan 270 soal selidik, data telah dianalisis menggunakan SPSS versi 20 dan perisian PLS-SEM. Analisis menunjukkan sikap, pengaruh rakan, pengaruh anak, pengaruh ibu bapa, tanggapan terhadap kawalan tingkah laku dan kualiti perkhidmatan mempengaruhi niat pembelian rumah. Kajian ini menyumbang kepada peningkatan kefahaman terhadap pembeli rumah di Semenanjung Gaza. Dapatan kajian ini dijangka akan memberikan maklumat tentang niat pembelian

rumah dan faktor-faktor yang mempengaruhi niat pembeli. Oleh itu, dapatan kajian ini boleh dijadikan sebagai rujukan bagi kajian berkaitan hartanah pada masa hadapan yang dapat membantu pengguna untuk mengetahui apakah yang mempengaruhi diri mereka dalam membuat keputusan untuk bertindak. Ia juga akan membantu pihak berkuasa dalam menggubal prosedur-prosedur dan akta-akta yang sesuai dengan perancangan sedia ada dan masa depan. Di samping itu, ia turut membantu pemaju perumahan untuk mengetahui perkara apakah yang mempengaruhi tingkah laku pengguna terhadap rumah-rumah dan mempertimbangkan perkara-perkara tersebut dalam rancangan pemasaran mereka.

# **APPLYING THEORY OF PLANNED BEHAVIOUR IN PREDICTING HOUSE PURCHASE INTENTION IN GAZA STRIP**

## **ABSTRACT**

Factors affecting residential houses purchase intention are of great importance worldwide. This study aims at determining the factors affecting the purchasing intention for residential houses in Gaza Strip. Following the Ajzen theory of planned behaviour, the study examined different factors which are attitude, friends influence, parents influence, spouse influence, children influence, perceived behavioural control and housing service quality. Also, the study examines if the refugee status (refugee and non-refugee status) moderates towards purchase intention. While previous studies have investigated many aspects of the purchase intention of home buyers worldwide, studies have a limited understanding of the residential houses purchase intention among people 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 applied specifically in Gaza Strip. Based on 270 questionnaires, the data was analysed using SPSS version 20 and PLS-SEM software. The results show that attitude, friends influences, children influence, parents influences, perceived behaviour control and service quality affect the housing purchase intention, while moderating variable did not moderate the relationship between attitude, perceived behaviour control, service quality and purchase intention. This study contributes to an improved understanding of home buyers in Gaza. It is expected that the results of the survey will provide information on the intention to purchase houses and which variables affect buyers' intention. Therefore, the

proposed framework can serve as a future reference on the study of residential houses which will help consumers to know what influence them to make this behaviour. It will also help the government to set procedures and regulations for current and future plans. In addition, it will help houses' developers to understand what affects consumers' behaviour toward houses and to consider this at their marketing planning.



# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 General Introduction**

Theory of Planned Behavior is considered one of the most applied models in business studies, it is originated from the Theory of Reasoned Action, and it assumes that behaviour leads to the intention, which in turn leads to performing the behavior. Intention shows the conscious of persons and making efforts to perform a specific behavior. The TPB is represented in the psychology field to demonstrate individuals' behavior. It also approved that the behaviour is predicted by an individual's intention. Besides, the intention itself is predicted by three main factors that are attitude, subjective norms and perceived behavioral control. To meet the market demand, several factors affecting the process of purchasing intention toward purchasing residential houses need to be determined. Moreover, the basic purpose of this research is to understand and investigate consumers' intention to purchase residential houses. This research will use different factors that are the intention, subjective norms, perceived behavioral control, demographic factors and service quality. As the objective of this research is to investigate the potential houses' buyers of residential houses units, this study applied the Theory of Planned behaviour (TPB) which provides significant results in predicting the consumers' intention.

To address the above issues, this chapter, which is an overview of the thesis, presents the research context in terms of the background of the study and statement of the research problem to be addressed. This chapter is structured into few sections. In the problem statement section, this study provides the background of the problems and the problem statement, which guided to the creation of research questions for this study. In the following sections, the research objectives and research methodology is

presented in details. In the section of the significance of the study, the researcher included an overview of the importance of study and the contribution the study may make. This chapter also highlighted the scope of the study. Definition of terms that applied throughout the thesis is discussed briefly in the following section. This chapter is ended with the presentation of the thesis structure layout.

## **1.2 Background of the Problem**

The Theory of Planned Behaviour (TPB) is suggested by Ajzen, (1991) as an extension of the Theory of Reasonable Action (TRA) to study individuals' behaviour (Ajzen & Fishbein, 1980). In the last years, researchers used the TPB to predict the intention, which is affected by attitude toward behaviour, subjective norms and perceived behavioural control (Ajzen, 1991). The TPB is also recognized as a philosophy to predict and understand individuals' behaviour (Numraktrakul, Ngarmyarn, & Panichpathom, 2012). Further, the TPB has been used by researchers to study the factors that affect consumers' decisions to purchase residential housing units and it is an appropriate theory to understand the factors that affect home buyers' intention (Phungwong, 2010).

Applying the TPB is very common in several countries and several fields. A study in Saudi Arabia found that there is a positive significant relationship among attitude, subjective norms and finance toward purchasing intention while perceived behavioural control does not affect real estate purchasing intention (T. S. Al-Nahdi, Nyakwende, Banamah, & Jappie, 2015). Ticoalu (2016) examined the effect of psychological factors on purchasing intention of real estate in Manado and used multiple regression in order to test the relations and found that perception and

learning affect customer purchase intention while motivation, attitude, and beliefs do not affect intention.

Pleming (2016) used the TPB and TRA to study consumer behavioural intention in Malaysia. He examined the effect of attitude, subjective norms, perceived behavioural control and collectivism on green hotel purchasing intention in Malaysia. The results indicated that there is a positive relationship between attitude, subjective norms and purchase intention.

Further, Sang Koon, Ngarmyarn, Panichpathom (2014), in their study that has been applied in Thailand, applied the TPB through examining the effect of attitude, subjective norms and perceived behavioural control on purchasing intention. The results indicated that there is a positive relationship between attitude, subjective norms and purchase intention. Ueasangkomsate & Santiteerakul (2016) in their study focused on examining consumer's behaviour by taking into consideration the purchase intention as a dependent variable. The study focused on determining the relationship between intention and actual purchase behaviour through applying the TPB and the five steps of consumer decision making. In addition, around 18 items were used to measure consumers' perception. The results showed that perceived behavioural control had no effect on purchasing intention. While purchasing intention had a significant effect on the actual purchase behaviour toward houses. Further, T. Al-Nahdi & Abu Bakar (2014) examined the factors that affect the purchase of a real estate among Saudis people. The study examined the effect of attitude, subjective norms, and perceived behavioural control on purchasing intention and used a moderator factor between the independent and the dependent factors. 450 questionnaires were used, and the results showed that there is a positive significant relationship between attitude and subjective norms toward purchasing intention while

perceived behavioural control had no significant effect. In addition, Razak (2013) applied the TPB in order to determine the factors that affect the purchasing intention of real estate in Setia Alam, and found that personality, knowledge, social class, and reference groups had a significant effect on purchasing intention toward property in Setia Alam.

Based on the discussion about applying the theory of Planned Behaviour in several fields and countries, there is no evidence to study that theory in Gaza Strip, Palestine. Besides, the house sector is very dynamic sector in Palestinian areas because of the political situation that Gaza Strip in special has been faced during the last period.

For Palestinians, housing is an ultimate dream and the best financial investment. Although the prices of the houses and building materials increased rapidly in the last decade, people still want to own their own houses. Therefore, this study aims to apply the Theory of Planned Behaviour in Gaza Strip. As a result, it is necessary to understand some issues related to this area. First of all, the frequented wars that Gaza Strip suffered from during the last years led to an increase in the need for building new houses in Gaza. Around 13,000 housing units are required to be established each year to meet the demographic growth in Gaza Strip. Further the deficit in the housing supplies resulted in a need of about 70,000 housing units. The housing shortage in Gaza Strip is a result of the Israeli blockade that was forced on Gaza Strip since 2007 which consequently prevented the entry of the construction materials and the slow in reconstruction process after the 2014 war (OCHA, 2015).

Further, after the 2014 war, the construction materials were also allowed to enter Gaza Strip through Rafah crossing under the Egyptian coordination and Israel only permits the entry of construction materials for UNRWA projects or for housing projects under the international supervision (UNRWA, 2018).

Besides the above mentioned, the rise of citizenship problem is a critical issue to study how the effect of refugee status affects the Palestinians. The first step for refugees when they moved to the safer places is looking for houses to buy. However, the number of houses in the host areas is unable to accommodate this purchasing demand. Therefore, new houses have been built for refugees to satisfy their purchase demand. Refugees are looking for more stability in Gaza Strip through building more developed houses in Gaza Strip. In Gaza Strip, the refugees have settled since 1948 and their families have grown, therefore, they purchased new houses to fit their family size. The citizenship in Palestine differs from other countries. As other countries got citizens or foreigners. However, in Palestine, and especially in Gaza; the situation is different, as after the 1948 the year of Palestinian catastrophe, Israel forced Palestinian people to immigrate to Gaza Strip and to live in it instead of their cities/villages. Therefore, the refugees in Gaza are the people who forced to leave their cities or villages and live in other countries because of the political situation. The population in Gaza Strip is around 2 Million and one and a half of them are not from Gaza they are refugees from the cities and villages that Israel occupied in 1948. Therefore, it is common to call people in Gaza refugees and non-refugees. Non-Refugees are people from Gaza Strip itself and refugees from the other parts of Palestine that were occupied by Israel in 1948.

As other studies, this research has some gaps that are needed to be covered. The research justification for this research is the main gap that was found in the literature. The gaps that were found between this research and previous researches are clear and are all taken into account.

This research is one of limited researches that investigated the effect of the dimensions of TPB theory and service quality, the consumers will be able to choose

according to their preferences and the builders and developers will reach the goals of high sales and profits.

Moreover, the fact that the international institutions provide financial assistance for people to purchase the houses must be taken into consideration as they encourage them to take the decision to purchase their houses.

To the best of the researcher's knowledge, there is no study that investigated Gazans' people purchase intention toward residential houses. Thus, this research focused on Gazans people to study the factors that affect purchasing intention toward residential housing units.

### **1.3 Statement of the Problem**

The increased demand for residential houses units made the housing market very dynamic. People are becoming more aware in terms of choosing their residential houses units. Because of the highly competitive advantages that consumers face, they became more sophisticated in the behavioural intention in order to purchase their suitable residential housing units to fulfil their needs and wants (Arnon, 2007). The main gap that appeared in the literature includes the fact that applying the TPB was very common in several countries at several times in developed countries but studying the purchase intention model in developing countries (like Palestine) in recent years is rare, most of the applications of this theory were applied in developed countries (Numraktraul, Ngarmyan, and Panichpathom, 2012; Phungnong, 2010; Nahdi, Nyakwende, Banamah and Jappie, 2015; Taicoalu, 2016). Therefore, applying the Ajzen theory in a place like Gaza Strip which is considered a critical place is unique.

A house is considered the main asset for most households and it provides the security, independence, and privacy for all Palestinian people. The housing is considered by the Palestinian people the ultimate dream and the best financial investment. Although the prices of the houses and building materials increased rapidly in the last decade, people still want to own their own houses. At the same time, the international institutions provide financial assistance for people to purchase houses instead of their damaged ones, so they participate in the decision to purchase houses (OCHA, 2015). In Gaza Strip, the residential housing problems appeared obviously in the recent years, especially, after the three wars that Gaza Strip was exposed to during the last ten years. These problems are characterized by the scarcity of houses (UNRWA, 2018). The residential housing problems are in both quantity and quality. The problem of insufficient houses is a result of high population, low space area, shortages in building materials and destruction of thousands of houses during the wars (OCHA, 2015).

The systematic analysis includes the understanding of the factors that affect the intention to purchase residential housing units in Gaza Strip before purchasing housing units. The knowledge of the factors that affect the purchase behaviour and the preferences of consumers can provide chances for builders and developers to gain several residential housing schemes and to realize the buying behaviour insight. Thus, developers will be able to gain more houses scheme more effectively and efficiently. However, previous studies investigated the dimensions of TPB which are (attitude, perceived behavioural control, and subjective norms) without any details on the types of subjective norms which are (friends, spouses, children and parents). Also, service quality is rare to be taken into consideration in the TPB in order to

know how the house buyers can be affected by what the developers provide (Taicoalu, 2016).

This research is also useful for different groups: the consumers, builders and service suppliers. Since this study used the dimensions of TPB, service quality and demographic variables; consumers will be able to choose according to their preferences and the builders and developers will reach the goals of high sales and profits. To sum-up, the problem statement of this research is to study the effect of attitude, subjective norms and perceived behavioural control on purchasing intention of residential housing units and to study the effects of service quality on intention toward purchasing residential housing units.

#### **1.4 Research Questions**

This study has different questions that are related to the research objectives, which are:

RQ1: Do attitude, subjective norms, perceived behavioural control and service quality affect the purchase intention toward residential houses units in Gaza Strip?

RQ2: Does refugee status moderate the relationship between attitude, perceived behaviour control, service quality and purchase intention?

RQ3: How to propose a workable framework that best describes the effect of these factors on purchase intention?

#### **1.5 Research Objectives**

The aim of this research is to investigate the factors that affect the purchasing intention toward residential houses in Gaza Strip. There are few studies that are related to this topic, and this is the first study that has been applied to investigate the



residential housing market in Gaza Strip. In Palestine, there are few researches about consumers' behaviour, as well as the studies that are related to consumers' behaviour in Arab countries are rare and inadequate.

The main aim of this research is to figure out the factors that affect the intention to purchase residential housing units in Gaza Strip such as (Attitude, Subjective Norms, Perceived Behavioural Control, and Service Quality).

RO1: To investigate the effect of attitude, perceived behavioural control, dimensions of subjective norms (friends, spouses, children, parents) and service quality dimensions on purchasing intention toward residential housing units.

RO2: To examine if the refugee status plays a role as a moderator variable between attitude, perceived behaviour control, service quality and purchase intention.

RO3: To propose a workable framework that best describes the factors that affect purchase intention.

## **1.6 Study Significance**

The impact of behaviour on houses' purchase is not yet obvious. Gibler & Nilson, (1998) advised the researchers to focus on the application of the TPB model to explore the intention to purchase real estate. Further, Well (1993) suggested that the investigation of life changing decisions of consumers such as house purchase can essentially contribute to consumer behaviour knowledge. This study fills the gap as suggested by Well (1993) on purchasing intention.

The significance of this research is to investigate the effect of different factors on purchasing intention of residential housing units in Gaza Strip. This type of research helps to the increase the awareness on the criteria that buyers should consider before purchasing residential housing units. As well as, this study provides insights on

behaviour and various strategies through understanding the behaviour of buyers to get more information regarding potential buyers. Moreover, this research also helps houses' purchasers to understand various features when purchasing properties. Further, this research helps in building customers to gain advantages that are more competitive and to achieve a big development for the real estate sector.

Additionally, the descriptive research helps the properties' developers to recognize the Gazans' preferences and the demographic presence. This type of research is also beneficial for properties' developers, as they can understand the wants and needs of the buyers before they start any project. It also helps them to attract several customers and prevent the loss of market share through looking on how the factors of TPB influence customers' intention in Gaza Strip. Accordingly, this enables them to take into account different factors during purchasing houses. Understanding the factors and patterns that affect the purchase intention of residential houses in Gaza Strip can provide chances for houses developers to predict the housing demand. Furthermore, this research will improve the consumer intention knowledge toward residential housing in Gaza Strip through proposing new models by merging TRA and TPB.

This research also provides great information to the marketers regarding the patterns of purchase. Moreover, the study can provide the marketers enormous information related to the patterns of customers' purchase by considering the effect of purchase intention on the residential housing units in Gaza Strip. This helps the marketers to overcome all the obstacles that they may face. The marketers have an important role in raising the information related to purchase intention and the factors related to purchasing residential housing units.

On the other hand, marketers can adapt several marketing strategies regarding the needs of house buyers to serve their customers and to attract new ones. The findings of this research will lead the marketers and investors to get data that are more practical; thus, they can consider customers' preferences during making the purchasing decisions for apartments. The results also can help the organizations to improve their sales and increase their profit, as the customer will support the facilities of the organization if it satisfies their wants and needs. As this research is related to people who intend to purchase residential housing in Gaza Strip, it is also related to the marketing of real estate by taking into considerations several marketing strategies by analysing the factors that affect the Palestinians' purchasing behaviour and intention to purchase houses in Gaza Strip. Therefore, the outcomes also can help the marketers to get better insights of the market. In addition, it will help the marketers to satisfy the needs of their customers. Further, the results of the buying intention model will be significant for real estate marketers to identify the customers' needs and wants. This research is also useful for developing strategies of real estate marketing as well as for future studies on the attitude of consumers and buying intention in the term of residential housing buying behaviour.

Furthermore, this study is important to academic research as Tan (2013) who investigated the factors that affect purchase intention toward houses, as the researchers can gain more information regarding the residential housing market in Gaza Strip, and understand more about property sector especially in residential houses. In addition, it is considered a reference for other researchers who are interested in studying the property market and related research.

Overall, limited number of researches studied the intention to purchase houses in Gaza Strip using the quantitative method. Accordingly, this research is significant to

the literature of purchasing intention. In addition, it helps the studies that are related to real estate marketing. Furthermore, developers and marketers can adopt several strategies to develop the customers' property and to achieve customers' wants and needs using the results and recommendation of this research.

According to the Ministry of Public Work and Housing in Gaza strip, this research is considered useful as it can help the ministry to get a comparative knowledge about the factors that affect the purchasers' decision to purchase houses. The ministry can also support events to talk about the residential property and to increase the awareness of developers and purchasers toward purchasing houses in Gaza Strip. As well, the ministry can act as a factor that affects the purchasers in purchasing their residential housing units in Gaza Strip; this will help the developers to get a better understanding about purchase attitude. It also helps the developers to get more knowledge about the criteria of purchasers, so it will help them to maximize the sales by satisfying the market demand.

The most important significance of this study is the contribution to the knowledge of the factors that affect housing purchasing intention, attitude, subjective norms and perceived behavioural control from the TPB. The findings of this research provide a clear picture on the factors affecting purchasing intention toward residential housing market. Therefore, the results are important for future researchers who have the same interest on investigating the residential housing units.

For house buyers, this research gives a space to them to examine and improve their aspects toward purchasing new residential housing units in order to achieve high performance for other generation. The government can also benefit from this research through the awareness to encourage the house buyers to determine what they need before purchasing their houses.

The findings of this study can also be used to develop an effective training programs and strong customer relationship within the real estate sector. Service providers can train employees to understand the aspects of customers' behaviour which are important to house buyers, as if houses' investors can improve theses aspects, the customers will have more intention to purchase real estate. It will also help the government to set procedures and regulations for the current and future plans. In addition, this research will help real estate instructors to understand what affect consumers towards purchasing houses and consider it at their marketing planning.

For theoretical significance, several researches studied the predictors of purchasing intention in different areas while this study focused on studying the attitude, perceived behavioural control and subjective norms on purchasing intention besides taking into consideration the effects of service quality and demographic factors. Lastly, this research contributes to the literature available in Gazan context on customers' attitude and intention to purchase residential housing units. In a word, this research will contribute to the potential household, developers, and Ministry of Public Work and Housing.

## **1.7 Study Scope**

Gaza Strip is determined as the study setting for this research as Gaza Strip has the highest population in the world and is recognized as the dynamic location for houses for people who lost their houses during the wars.

The determined group that is used in this research is rare and unique as it is considered a sensitive group in Gaza Strip as those people lost their homes and everything they have and are searching for new houses. This research was applied in Gaza Strip only.

## **1.8 Brief on Research Methodology**

This research focuses on studying the factors that affect intention to purchase residential houses in Gaza Strip. Quantitative research methods are used to study the factors that affect the purchasing intention toward residential houses. The main objective of this research is to test the hypotheses not to get a new theory because the variables in this study are measurable and quantifiable and generalization can be made from the sample. The first step of this study is to perform a literature review to get information and insights through understanding the research problem accurately and setting the hypotheses for this study. A literature review of previous studies included studying the factors affecting intention to purchase residential houses.

This research used a questionnaire as a data collection tool to gather the data from respondents who shared their intention and opinions on their plan and preferences in intention to purchase residential houses. The questionnaire consists of four 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 the purchasing intention. The third part is related to dimensions of TPB theory, which are: attitude, subjective norms and perceived behavioural control and the fourth part includes questions related service quality. In addition, the sampling strategy for this study includes different stages. The first stage is to define the target population of the potential homebuyers who live in Gaza Strip. The sampling frame was from people whose homes were destroyed after 2014 war. Smart PLS is used for analysis to test the reliability, the validity, and the hypotheses.

## 1.9 Terms Definitions

The definition of the terms used in this research is mentioned in this section as these terms have different meaning from one source to another (Malhotra, 2010).

1. **Purchase Intention:** is defined as a mental state that reflects persons' plan to engage in some action within a specified period of time. Intention is thus assumed to be the immediate antecedent of behaviour (Qader & Khalid, 2008).
2. **Attitude:** the degree to which the performance of the behaviour is positively or negatively valued. According to the expectancy value model, attitude toward behaviour is determined by the total set of accessible behavioural beliefs linking the behaviour to various outcomes and other attributes.
3. **Perceived Behavioural Control:** control refers to people's perceptions of their ability to perform a given behaviour. Drawing an analogy to the expectancy-value model of attitude
4. **Subjective Norms:** the perceived social pressure to perform or not to perform the behaviour in question (Ajzen, 1991, p. 188). Subjective norm is also measured as normative belief without including motivation to comply.
5. **Service Quality:** is the assessment of home buyers of quality and it focuses on all things that affect the perception of home buyers. It is related to the evaluation, so it differs from one to another. Service quality has five dimensions which are reliability, responsiveness, assurance, empathy and tangibles. (Arun Parasuraman, Berry, & Zeithaml, 1993).
6. **Palestinian Refugees and Non Refugees:** Palestine refugees are defined as "persons whose normal place of residence was Palestine during the period 1 June 1946 to 15 May 1948, and who lost both home and means of livelihood

as a result of the 1948 conflict.” Non-refugees are for the people who did not move their homes during the 1948 conflict (UNRWA, 2018).

## **1.10 Thesis Organization**

Six chapters are included in this research, and the chapters are organized as follows. Chapter one is an introduction that includes the study background, the problem statement, objectives, research questions and a discussion of the study significance, scope as well as the framework.

Chapter 2 includes a literature review on the Theory of Planned Behaviour, Theory of Reasonable Action, attitude, subjective norms, perceived behavioural control, demographic factors, and service quality dimensions. In addition, it presents in details the previous and related works of TPB in literature.

Chapter 3 is about the residential houses’ units in Gaza Strip. It describes the houses units’ situation in Gaza Strip and gives in details all the related information to the supply and demand of residential houses units after the three main wars that Gaza Strip faced in the last ten years.

Chapter 4 discusses the research methodology and explains the quantitative method that has been used, sample design, data collection, questionnaire design, validity, and reliability. Chapter five discusses the analysis and findings of the research and provides a discussion of the research findings and it includes answers to all research questions. Finally, chapter six provides research summary, recommendation, contribution and limitation of the research. Figure 1.1 depicts the chapter’s titles for this thesis.



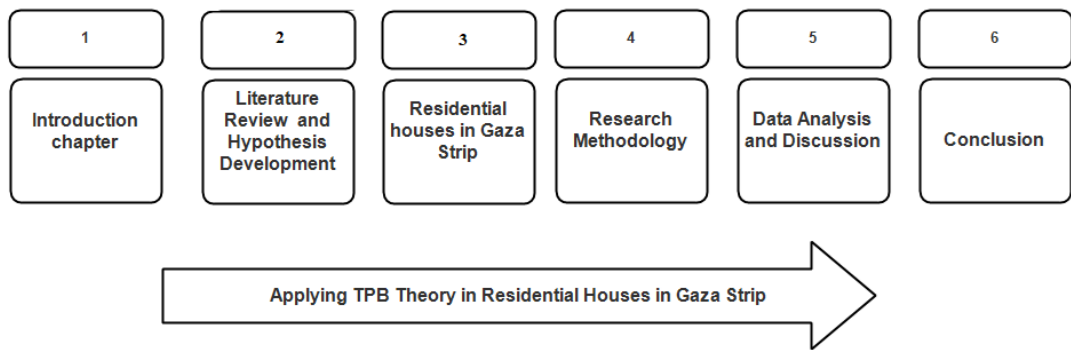


Figure 1.1: Thesis organization

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Related literature is reviewed in this chapter. First, the chapter discusses the independent variables, which are attitude, subjective norms dimensions (Spouses influences, children influences, friends influences and parents' influences), perceived behaviour control, the dimensions of service quality which are (empathy, responsiveness, tangible, reliability and assurance). Moreover, the chapter discusses the dependent variable, which is purchase intention. Furthermore, the chapter discusses the role of demographic factors by explaining the main criteria, which are age, gender, marital status, employment, salary, family size, children size and the race. The refugee status is described in separate section. Finally, the chapter ends with the summary of the chapter.

#### **2.2 The Reasoned Action Theory**

The reasoned action theory is considered the main significant model in human behaviour predicting. The theory proposed that behaviour is influenced by behavioural intention that is affected by attitude and subjective norms. Attitude is related to the act as a basic purpose of the perceived consequences of people associate with the behaviours and subjective norm is related to beliefs functions, which are related to the important referent expectations and their motivation with the referents. This model provided a lot of support in several types of research of consumer behaviours and social psychology which are related to literature (S. Taylor & P. Todd, 1995b). But, it also has some limitations that are related to behavioural

intention when the consumers do not have control over the behaviours (S. Taylor & P. Todd, 1995b). This theory is related to studying the human behaviours, Fishbein and Ajzen's (1975) have improved the theoretical meaning of the theory of reasoned action (TRA) that states that attitudes are affected by beliefs which lead to intentions and behaviours. The TRA involves three main components: intention, attitude and subjective norms, TRA states that behavioural intention is based on the attitude toward subjective norms and behaviours (Ajzen and Fishbein, 1975).

As described by Ajzen and Fishbein (1980), TRA is a combination of theories related to attitudes such as theories of expectancy values and learning theories. The aim of Ajzen was to create a theory that is capable to predict, influence and justify behaviours (Ajzen and Fishbein, 1980). TRA was presented in 1967, and it has so many modifications from that year until now. The theory focused on the beliefs that individuals have and use the information accessible to them before acting. People consider different suggestions related to their actions before making a choice associated with particular behaviours. The TRA included a key feature of consumer's choices, which is behavioural intention. The individual behaviours objective can be described as a mixture of attitude toward behaviours and subjective standards, and the behavioural performance is evaluated as either negative or positive (Ajzen, 1991; Taylor & Todd, 1995). Individual attitude is forecasted and measured with the high level of accuracy from marketers.

The TRA also defines how subjective standards are connected to groups, according to TRA, there are two types of beliefs related to behaviours which are attitudinal (personal) and normative (social) variables (Ajzen, 1985). In addition to that, Ajzen added new features connected to attitude according to the time frame such as target, action, and specificity (B. H. Sheppard, Hartwick, & Warshaw, 1988).

In fact, there is one biggest restriction on the TRA, which is applied only to intentional behaviours. Decisions that are not known or regular cannot be justified by TRA. Sheppard et al., (1998) did not agree with the theory. For example, there might be problems that could affect beliefs and behaviours, this is what actually means the differences between what individual expect to do and what they actually do. Until now, the model used in researches, focuses on understanding different actions that the model was not basically established for (Sheppard et al., 1988). This means that the model can do well when predicting the activities and goals, and the model has the ability to predict capabilities (Sheppard et al., 1988).

This theory is applied to consumer behaviour, as the main concept in TRA is that behaviour is affected by intention and the intention itself is affected by attitude toward behaviour and subjective norms. The behavioural intention is a connection among self and future action. The intention is how to involve in determined behaviours to reach the goal, and an intention is created through the decision process. So, the planned behaviour theory was found in order to overcome all these limitations, which include other definition which is perceived behavioural control (Ajzen, 1985). In this theory, the perceived behaviour control of the principal person in decision-making situation can influence the behavioural intention. Figure 2.1 shows the Theory of Reasoned Action.

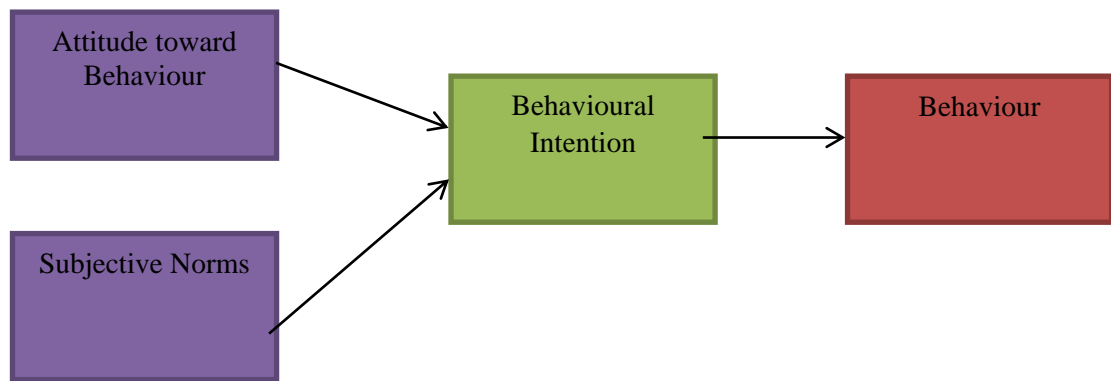


Figure 2.1: The theory of Reasoned Action  
(Ajzen, 1985)

### 2.2.1 The Dimensions of the Reasoned Action Theory

According to previous studies, many factors that affect behavioural intention are described in details in the next sections.

#### 2.2.1(a) Attitude towards Behaviour

As discussed before, the attitude refers to performing specific behaviour under some considerations (Ajzen & Fishbein, 1980). People will have the power to perform their behaviour if they have the favourable attitude toward the behaviour. According to Ajzen, attitude toward behaviour is better for predicting the behaviour than the attitude toward behaviour target.

In addition, the behavioural intention determinant of attitude toward the behaviour is the beliefs of a person regarding the outcomes of performing the behaviour against attributes. These beliefs are called behavioural beliefs so persons who hold these beliefs that positively valued outcomes can easily perform their behaviours (Ajzen & Fishbein, 1980).

The attitude determinants are the behavioural beliefs that are found in the population under examination. The individual's attitude for behaviour is defined by several implications for the total beliefs that they hold not only one belief.

### **2.2.1(b) Subjective Norms**

Subjective norms are considered the second determinant of behavioural intention, and it is related to the perception of persons with the social pressure to perform or not perform the specific behaviour. It is related to if the referents approve or disapprove the behaviour performance. The beliefs that guide the subjective norms are called normative beliefs. Therefore, persons who know the importance of referents think that they should perform a specific behaviour, so it motivates to have positive subjective norms. The theory focused on linking the behavioural and normative beliefs to the intention and behaviour toward attitude and subjective norms. That means people are likely to perform specific behaviour if they evaluate their behaviour positively (Ajzen and Fishbein, 1980).

## **2.3 Theory of Planned behaviour (TPB)**

TPB was suggested by Ajzen (1991) as an extension of the TRA (Ajzen & Fishbein, 1980) to study the individual's behaviour. In the last years, researchers used TPB to predict the intention and the intention of the person is affected by an attitude toward behaviour, subjective norms and perceived behavioural control (Ajzen, 1991). TPB was used to study the behavioural intention as the intentions are affected by attitudes, subjective norms and perceived behaviour control. TPB is recognized as a philosophy to predict and understand the individual's behaviour (Ajzen, 1991; Numraktrakul, et al., 2012). TPB has been used by researchers to study the factors

affecting consumers to purchase residential units and TPB is an appropriate theory to understand the factors affecting home purchase intentions (Phungwong, 2010).

While TRA suggests the main determinant of intention is the decision to assume determined kind of behaviour, TPB is different as the extensions on some activities are organized in situations that a person has less control over behaviour. Ajzen (2006) recognized the use of Perceived Behavioural Control (PBC), which is related to perceived control over performance. The TPB used PBC to understand the relationship between attitude, behaviour, beliefs, and intention. PBC is important as it impacts the behaviour and intention (Pavlou & Fygenson, 2006). The individuals who have a control over their behaviour, their intention led them to performance (Ajzen, 1991). The perceived behavioural control depends on the factors that affect humans' behaviour; it refers to skill, resource and external factors degree. A behavioural plan needs control and effort, for instance, skills, abilities, and information (Ajzen, 1985). Perceived behavioural control deals with human beings' perception to achieve a certain way. If perception is accurate, so it would need to establish control over behaviour (Ajzen, 2006). Both TPB and PBC are correlated to expectation to accept a determined type of behaviour. TPB includes individuals' non-volitional behaviour that cannot be used in the TRA. The person's behaviour is not the only factor to be considered when the behaviour control of the individuals is not complete. By using perceived behavioural control, TPB can explain the connection between intention and behaviour. Different studies stated that TPB is used for forecasting studies related behaviours than TRA (Ajzen, 1977). Moreover, the TPB is the same as TRA due to its ability to study the social behaviour related to social norms as the main variable. Furthermore, various factors such as self-identity, moral responsibility and habits can affect the intention and behaviour (Eagly & Chaiken,

1993). TPB is considered as an alternative of TRA, which do not consider what people are deciding and planning and how the planning tools link to TPB. Both of TRA and TPB provide affirmation to which models a person become motivated to behaviour (Taylor and Todd, 1995).

Different various authors supposed that there is an essential need to adapt the TPB theory; they found that there is an important fundamental path from subjective norms to attitudes, that was ignored in prior studies (Shimp & Kavas, 1984; M. K. Chang, 1998). All these cases are highly connected to each other, as they deal with several types of moral decision making, but only in the personal case benefit. Chang (2011) considered the relation between subjective norms and attitudes toward behaviour and he found that the path from subjective norms to attitude was important so he recommended that the relationship might be explained by social environment influences on individuals attitudes (Shimp & Kavas, 1984).

For TPB, attitude toward behaviour, subjective norms and perceived behavioural control are used to study the influence on housing purchasing decision and actual purchase behaviour (Chang, 1998). On the other hand, TPB was used in several fields such as internet purchasing behaviour, information system literature (Çelik, 2011). However, the TPB theory is used in the western countries more than Arab countries. There are several pieces of evidences from previous studies that assured that TPB has been well accepted as a model with strong predictive utility (Sheppard et al., 1988; Biddle & Nigg, 2000). Biddle and Nigg (2000) established a model for intention prediction, while Godin & Kok (1996) established a model for good empirical support. In addition, Ajzen (1991) established a model by including PBC as nonvolitional behaviours that removed the need for external variables.