

Factors Determining Expected Outcomes of Condominium Residents in Bangkok Area, Thailand

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ABSTRACT

The objective of this research is to study 1) the level of expected outcomes of the condominium residents, management, marketing strategies, developer image, and barriers in changing the service provider, 2) the influence of management, marketing strategies, developer image, and barriers in changing the service provider on the expected outcomes of condominium residents. This research uses a quantitative research methodology on the total number of 360 condominium owners or residents holding the ownership for more than 1 year. The sample size was determined using the criteria of 20 times the observed variables. The multi-stage sampling method was used. The data was collected with questionnaires and was analyzed with the structural equation model. The research results revealed that 1) the expected outcomes of the condominium residents, management, marketing strategies, and developer image were at the high level. However, the barriers in changing the service provider were at the moderate level. 2) The management had the greatest influence on the expected outcomes of the condominium residents, followed by the developer image and marketing strategies, respectively. The research results were used for decision making, planning for the operation, formulation of policies and strategies in order to increase the competitive opportunity of condominium developers in operating the businesses to meet the needs of condominium residents effectively.

Keywords

Expected outcomes, condominium, management

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Introduction

The factor that will make the business successful or survive is to know about the management and marketing strategies (Chetthamrongchai, Jermstittiparsert, & Saengchai, 2019; Sutduean, Harakan, & Jermstittiparsert, 2019). We must know who the residents or target group are. We also have to know their purchasing behaviors, residing habits, and the roles of the entrepreneurs in order to reduce possible problems such as an unoccupied condominium unit without residents or the residents resell the units and go to buy another condominium unit. There are also other problems such as inconvenience in residing, insecurity, facilities and services lacking of care. These problems affect the expectations of the condominium residents as well as being the factors supporting the residents to move out, terminate the contract, or change to reside in other condominium projects.

The problems of residents moving out or cancelling the contract are caused by many reasons. 1) The residents feel that the room is too narrow. They need more storage area and need more space to place the things. Those who used to stay in a studio room would like to add more space or there are other reasons which the residents think that the condominium is now not as big as when moving into. Some residents have other reasons such as getting married, having children, or planning to have a family which surely requires a larger area. 2) The residents cannot pay installments or the rent at this price anymore due to the financial and liquidity problem that may not be the same. In this case, residents will have to find a condominium with cheaper rent. This could be a nearby condominium. 3) The residents have enough money to pay by installments or rent a better condominium. Of course, with more earnings and more

stability, the residents often want a better life and more comfort as well.

4) The original condominium is not easily accessible. Sometimes when the residents graduate, start working, or change the workplace, their lifestyles have also changed. The travel may not as comfortable as before or it may cause higher travel expenses. 5) The residents want better neighbors. Regardless of how much the residents like the condominium, the residents might not always have good neighbors. If the residents live in a chaos or unsafe environment with the crime, there is a reason to move. 6) The excessive convenience of public transportation can also be the reason for the move. For example, a resident may live in a condominium or apartment near BTS or other public transport. There may be the limitation on parking but they may want to buy a car and such convenience may not be what they want. 7) The residents do not like their condominiums, for example, they do not like management, the system of maintenance, cleaning, or they do not like the owner of the condominium. These reasons may also make residents want new accommodation (Leshnower, 2020).

The aforementioned reasons are often the main ones causing most residents to feel that they want to relocate. However, some residents have other reasons in terms of their background, feelings, or habits that they do not like to use common areas or shared parking with other people. But one thing that is needed to be considered when living in a condominium is that the residents are required to live altogether with the others in shared common areas. If they do not like this point, no matter how many new condominiums they move to, they will encounter the same problem.

The situations mentioned above lead to the expected outcomes for condominium residents in Bangkok area

including the worthiness of investment, utilization, satisfaction, engagement, and customer loyalty eventually. Therefore, the researcher is interested in studying the factors determining the expected outcomes of the condominium residents in Bangkok area. This will be beneficial for improving the management and marketing strategies of the condominium business investment for the condominium business operators.

Research objectives

1. To study the level of expected outcomes of the condominium residents, management, marketing strategies, developer image, and barriers in changing the service provider.
2. To study the influence of management, marketing strategies, developer image, and barriers in changing the service provider on the expected outcomes of the condominium residents.

Research methodology

This research uses a quantitative method. The population consists of the condominium owners or condominium residents who have hold the ownership for more than 1 year focusing on condominiums in Bangkok area. However, as the researcher could not determine the exact population, the researcher relied on the population size calculation from the condominium owners or condominium residents in Bangkok area for a total of 2,674 projects (Hipflat, 2020). In this research, the researcher used structural equation modeling analysis. For the sample size suitable for this technique, Kline (2011) Hair, Black, Babin, & Anderson (2010) suggested that the sample size should be 15-20 times the observed variables. In this research, there are totally 18 observed variables consisting of a total of 360 samples using multi-stage sampling.

The research tools were questionnaires using Likert scale that was verified for content validity with an IOC value between 0.80-1.00. For the reliability of the scale, it was found that the Cronbach’s alpha of the empirical variant scale used in the research was between 0.770 and 0.970 and the whole version was 0.986. The data was collected by having the sample group answering the questionnaires in Google form.

Data Analysis: 1. Descriptive statistics were analyzed for mean (\bar{X}) and standard deviation (S.D.) to describe the degree of expected outcomes of the condominium residents, management, marketing strategies, developer image. 2. Inferential statistics were analyzed using the structural equation modeling (SEM) to test the influence of management, marketing strategies, developer image, and the barriers in changing service provider on the expected outcomes of the condominium residents.

Research results

1st objective: To study the level of expected outcomes of the condominium residents, management, marketing strategies,

developer image, and barriers in changing the service provider.

Table 1: Level of the studied variables

Details	Mean	Standard deviation	Interpretation
Expected outcomes of the condominium residents	3.68	0.59	High
Management	3.78	0.76	High
Marketing strategies	3.77	0.71	High
Developer image	3.85	0.83	High
Barriers in changing the service provider	3.49	0.69	Moderate

From Table 1, it was found that the expected outcomes of the condominium residents, management, marketing strategies, and developer image were at a high level while the barriers in changing the service provider were moderate.

2nd objective: Regarding the result of the model analysis, when considering entirely, it was found that indicators of good accessibility to all data (Supamas Angsuchot, Somthawin Wichitwanna, and Ratchanikul Pinyopanuwat, 2011) were as shown in Table 2.

Table 2: Model analysis results

Indicators	Criteria of good accessibility to the data	Before adjusting the model	After adjusting the model
Chi-square/df	Less than 2.00	3.224	1.534
RMSEA	Less than 0.05	0.079	0.039
Standardized RMR	Less than 0.05	0.042	0.036
GFI	From 0.90 and over	0.98	0.95
AGFI	From 0.90 and over	0.85	0.92
CFI	From 0.90 and over	0.98	1.00
PGFI	From 0.50 and over	0.65	0.65
CN	Not less than 200	151.41	313.18

Hypothesis test results

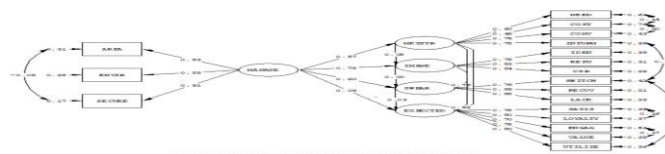


Figure 1 Structural equation model after model adjustment

1) The expected outcomes of the condominium residents (EXPECTED) depend on the management (MANAGE), marketing strategies (MKTSTR), developer image (IMAGE), and barriers in changing the service provider (SWBAR). The structural equation can be written as follows:

$$\begin{aligned} \text{EXPECTED} &= 0.09 \cdot \text{MANAGE} + 0.40 \cdot \text{MKTSTR} + 0.58 \cdot \text{IMAGE} + 0.03 \cdot \text{SWBAR}, \\ (0.078) \quad (0.17) \quad (0.085) \quad (0.11) \\ 1.00 \quad 3.17 \quad 6.42 \quad 0.23 \\ \text{Errorvar.} &= 0.031, \quad R^2 = 0.83 \\ (4.19) \\ (0.007) \\ 4.64 \end{aligned}$$

The analysis results revealed that the expected outcomes of the condominium residents depend on the marketing strategies and developer image. The variation of the expected outcomes of the condominium residents can be explained as 83% while the management and the barriers in changing the service provider have no direct effect on the expected outcomes of the condominium residents.

2) The barriers in changing the service provider (SWBAR) depend on the management (MANAGE), marketing strategies (MKTSTR), and developer image (IMAGE). The structural equation can be written as follows:

$$\begin{aligned} \text{SWBAR} &= 0.20 \cdot \text{MANAGE} + 0.76 \cdot \text{MKTSTR} + 0.001 \cdot \text{IMAGE}, \\ (0.086) \quad (0.13) \quad (0.087) \\ 2.28 \quad 8.70 \quad 0.005 \\ \text{Errorvar.} &= 0.045, \quad R^2 = 0.79 \\ (4.20) \\ (0.009) \\ 5.17 \end{aligned}$$

The analysis results revealed that the barriers in changing the service provider depend on the management (MANAGE) and the marketing strategies (MKTSTR). The variation of the barriers in changing the service provider can be explained as 79% while the developer image has no direct effect on the barriers in changing the service provider.

3) The developer image (IMAGE) depends on the management (MANAGE) and the marketing strategies (MKTSTR). The structural equation can be written as follows:

$$\begin{aligned} \text{IMAGE} &= 0.78 \cdot \text{MANAGE} + 0.08 \cdot \text{MKTSTR}, \text{Errorvar.} = 0.062, R^2 = 0.69 \quad \dots (4.21) \\ (0.068) \quad (0.084) \\ (0.010) \\ 11.06 \quad 1.40 \\ 6.50 \end{aligned}$$

The analysis results revealed that the developer image depend on the management (MANAGE). The variation of the developer image can be explained as 69% while the marketing strategies have no direct effect on the developer image.

4) The marketing strategies (MKSTR) depend on the management (MANAGE). The structural equation can be written as follows:

$$\begin{aligned} \text{MKTSTR} &= 0.57 \cdot \text{MANAGE}, \text{Errorvar.} = 0.062, R^2 = 0.33 \\ (4.22) \end{aligned}$$

(0.047) (0.0
11)
7.95 5.5
4

The analysis results revealed that the marketing strategies depend on the management. The variation of the marketing strategies can be explained as 33%.

Table 3: Direct influence, indirect influence, and total influence of the studied factors

Influence of variables	Causal relationship		
	Direct	Indirect	Total
Management	0.09	0.69**	0.69**
Marketing strategies	0.40**	0.03*	0.43**
Developer image	0.58**	0.00	0.58**
Barriers in changing the service provider	0.03	-	0.03

According to Table 3, it was found that the management had the greatest influence on the expected outcomes of the condominium residents, followed by the developer image and marketing strategies, respectively. However, when considering only the factors that directly affect the expected outcomes of the condominium residents, it was found that developer image has the most direct influence on the expected outcomes of condominium residents, followed by marketing strategies while the management only has an indirect influence on the expected outcomes of condominium residents.

Conclusion and discussion

1) Management: Operating the condominium business to meet the expected outcomes of the condominium residents involves many different factors. The fundamental factor that entrepreneurs have to take into account is the management because management is a process, activity, science, art, and professionalism. These include forecasting, planning, organizing, directing, coordinating and controlling (Fayol, 1961; Thenmozhi, 2011). The condominium management is the management of accommodation covering planning and control in 1) building and common areas, 2) environment, and 3) safety. The study results were consistent with the study found that business failure is caused by mismanagement (Miller, So, & Williamson, 2011), poor management and poor leadership, lack of government support, bad quality of products or services. There is no customer demand survey. Customers feel bad about products or services. The staffs lack quality. They are inexperienced without innovation. These also involve economic factors such as economic uncertainty and currency exchange rates similarly to the study's results. It is also consistent with the research of Zadkarim, Emari, Sanatka, and Barlem (Zadkarim, Emari, Sanatkar, & Barghlame, 2011).

2) Developer image: This influences the expected outcomes of the condominium residents as a developer image is one of the key factors in making a decision to buy a condominium.

As the condominium units or real estate products are highly priced, the customers will have to study and find more information in order to make decision. Thus, creating the developer image or confidence in the brand is an important issue. The desirable image of the condominium business consists of confidence in the company's brand, experience, expertise, reputation, company's personnel potential, and social responsibility. These are in accordance with the idea of Seri Wongmonta (1998) and Argenti's research (Argenti, 2007). The researches of many scholars found that a successful business that leads to promising results must be involved with many factors. Some important factors are reliability (Kang & James, 2004), management (Terry & Israel, 2004; Miller, So, & Williamson, 2011; Bishop, Jr., 2009), and developer image (Vilares & Coelho, 2003). ; Kang & James, 2004). These are also correspondent with the work of Worathep Triwichit and Chonkanok Kositkanin (2017). In addition, it is also in line with the research results of Amphon Chusanuk, Poomphong, Phoommaphuti, Chaweewan Chusanuk, and Wittaya Pattaramethakun (2018).

3) Marketing strategies: Marketing strategies affect the expected outcomes of the condominium residents. They involve a plan for an action aimed at marketing to meet the demands or needs of customers. They also involve determining the marketing mix to enable businesses to achieve their marketing objectives (Kotler, 2003) and find profits and business opportunities. They create a competitive advantage by attracting customers, retaining existing customers, and seeking to add new customers (Disraeli, 2011). The customer behavior and demand are the starting point of the marketing process affecting the expected outcomes of the business. Therefore, the condominium developers must consider modifying the marketing strategies to suit the changing behavior and customer needs. Today's consumer needs have changed greatly from the past as technology and life styles change.

As the competition in condominium business is increasing, the condominium developers need to keep pace with changing competitors and consumer behaviors. The popular strategy based on the concept of new paradigm marketing communication is strategy to meet customer needs. This is a strategy that emphasizes the interaction with customers at a high level leading to greater customer satisfaction. As a result, the brand will be superior to other competitors in the business (Michelli, 2015). Responding to customer needs is a modern consumer marketing communication strategy by giving customers the power to choose what they want and also providing uniqueness to customers (Yoo & Park, 2016). If an organization can meet customer needs, this will allow customers to recognize the perceived value of the organization (Michelli, 2015) as well as making customers feel proud and happy to have that product (Avey, Avolio, Crossley, & Luthans, 2009). This is consistent with the researches of Bonson, Carvaja and Escobar Wanglo and Yang (Bonson, Carvaja, & Escobar, 2015; Wang, Lo, & Yang, 2004).

In addition, in today's marketing, the pricing of condominium developers must take into account the cost of the customers rather than the cost of the condominium. Considering that before the customer buys that

condominium, which are the expenses that they have to pay. When buying a condominium, they feel it is worth the cost previously spent or not. Pricing for condominium developers takes into account the cost of the customer rather than the production cost. Considering that before the customer pays for that product, the customer has to pay anything before or not. If already offset, it is worth the cost previously spent or not. If it is not worthy, the customer does not choose to buy it. In addition, entrepreneurs have to consider the cost reduction or reduce unnecessary expenses as well. The research results are consistent with the research results of Attawut Accum (2016), Chuchai Samitkrai (2010) and Zhen, & Mansori (2012).

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