

Abstract

Consumer decision making is one of the most influential areas within consumer behaviour and the major research topics of these decades. Accordingly, researchers have significantly recognized the importance of understanding of individual decision making in the context of housing and lack of theoretical and empirical explanation about individual decision making in purchasing of house. Further analysis of housing market; discuss that most of the housing market models are based upon rational choice and optimizing behaviour which has notably failed to account for observed behavior. This economic analysis of consumer behaviour in housing market, perhaps until recently, has been dominated by expected utility maximization and rational choice as the key behavioral assumptions. Further, housing as special product category; a specific, situation and product oriented models are needed to be developed. However, available theoretical efforts were insufficient to understand the house purchasing behaviour.

Accordingly, the purpose of this research was to further enhance the existing theoretical efforts and developed a conceptual model, matching the housing market arena that diverge the rationality and to better understand the house purchasing Intention. According to the literature review, two construct were identified for further analysis, they were self-image from psychological domain and normative influence from sociological domain.

Accordingly, conceptual framework of this study was developed by considering the house purchase intention as dependent variable. Then, two hypotheses were developed under the construct of self-image as real self-image and ideal self-image influence towards the purchase intention of house. And also, under the construct of reference group, two hypotheses were developed as normative influence and informational influence towards the intention of purchasing a house.

This study was design under quantitative paradigm. There, in order to determine the sample for the study, population was considered as the individuals who had intention of buying privates sector developed luxury houses in Sri Lanka. Accordingly, luxury houses were defined through criteria of market value where, market value between 10 million to 35 million. Subsequently, judgmental sampling method was used considering the

representativeness of the sampling elements. Then, data was collected from people who have intention and actively searching luxury houses via developers/marketers and other way is questionnaires were distributed among employees who had intention and purchasing power of buying luxury house. Then, questionnaire was developed by using scales, which tested reliability. And PLS was used for the purpose of data analysis.

Empirical analysis disclosed that though there were four variables discussed under conceptual framework, two variables could be interpreted as most suitable for housing market as divergent factors of rational behavior, they were normative influence and real self-image respectively. Further, when it consider under two main constructs of self-image and reference group influence, reference group influence as a social construct made higher influence towards purchasing intention of a house than self-image.