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A Study on Consumer Preference of Dwelling Unit in Erode City

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Abstract:

This paper presents the empirical analysis of housing choice based upon individual households and dwelling and estimates the degree of satisfaction among consumers. The empirical results suggest that the independent assumption may be inappropriate and also the housing choice may be more sensitive to variations in work place accessibility. Research on the profile of residents must be considered because households with different socioeconomic backgrounds have different levels of aspiration, tolerance and psychology on preference towards dwelling. The level of satisfaction towards housing also differs according to ethnic backgrounds. The researcher made an attempt to analyse the consumer preference of dwelling unit by applying statistical tools such as percentage analysis, chi-square and Garret Ranking method.

Keywords: Dwelling unit, consumer preference, EMI, DTP approved sites, panchayath approved sites

1. Introduction

The needs of consumers can be used to identify opportunities for industry and manufacturers as well as segmenting consumers into groups with similar needs and expectations. Clients, stakeholders and end users have different needs, preferences and attitudes in relation to residential buildings. Preference studies also provide inputs for policy makers and decision-makers in the residential construction industry. The three basic necessities viz. food clothes and shelter of a human being's survival, shelter comes the third and final option for existence. Though it stands last in the ladder, it is the symbol of prestige and paragon achievement. So everybody with a decent survival nurtures a dream project of a house deep in his/her mind. Housing is also a dynamic process not limited to one time provision of shelter, but a complex system of linkages between the family and community and ecological environment. Dwelling unit helps in improving the human health bodily and spiritually. Still there are, in many parts of India, especially in the cities of cosmopolitan nature multitudes of Indian citizens create a temporary house on the deserted roads at night. Some of them have a "put up" thatched set ups in unimaginable unhygienic corners of sewage canals. All these have forced the government of India to frame the slogan 'shelter for all'. This is the most important social concern to be added in India.

2. Need for the Study

In order to commercialize industrial housing, the industry should also pay attention to consumer preferences and needs. It must, however, be taken into consideration that stated preference is a relatively unconstrained evaluation of attractiveness. There are several factors that can limit the choice of housing, such as the Essential elements for the selecting dwelling unit, availability of loan facilities and consumer requirements towards construction of houses.

3. Objectives of the Study

- i. To study the preference of consumers relating to the type of construction and area of the house.
- ii. To identify the factors influencing the consumers in preferring the dwelling units.
- iii. To study the problem faced by them in constructing or buying a dwelling unit.

4. Methodology

The study covers both the primary and secondary data. For collecting primary data, field survey technique based on convenient sampling method was employed in the study area. First-hand information pertaining to the consumer preference of dwelling units in Erode District under study was collected from 300 sample respondents. The secondary data was collected from the published records, journals, magazines and web portals. Chi-square test was applied for testing the hypothesis.

5. Data Analysis and Interpretations

The analysis covers the profile of respondents, essential elements of dwelling unit, availability of loan facilities offered to consumers, consumer requirements towards construction of dwelling unit and problem faced by the respondents.

Demographic factors	Variables	No. of Respondents	Percentage
Age	Below 35 years	72	24
	35-50 years	172	57.3
	Above 50 years	56	18.7
	Total	300	100
Gender	Male	281	93.7
	Female	19	6.3
	Total	300	100
Marital status	Married	282	94
	Unmarried	18	6
	Total	300	100
Educational Qualification	Upto school level	109	36.3
	Graduate level	138	46
	Post graduate level	53	17.7
	Total	300	100
Occupation	Employed	83	27.7
	Professional	48	16
	Business	116	38.6
	Others	53	17.7
	Total	300	100
Income per month	Less than Rs.10000	62	20.7
	Rs.10001-Rs.20000	105	35
	Rs.20001-Rs.30000	85	28.3
	Above Rs.30000	48	16
	Total	300	100
Size of family	Below 4 members	89	29.7
	4-5 members	154	51.3
	Above 5 members	57	19
	Total	300	100

Table 1: Profile of Respondents

5.1. Results of percentage Analysis-(Table 1)

- The majority (57.3%) of the respondents are in the age group of 35-50 years.
- The majority (93.7%) of the respondents are male.
- The majority (94%) of the respondents are married category.
- The most (46%) of the respondents are graduates.
- The majority (38.6%) of the respondents are doing business.
- The majority (28.3%) of the respondents' monthly income ranges from Rs.10001-Rs.20000.
- The majority (51.3%) of the respondents size of family range between 4-5 members.

Factors	Variables	Frequency	Percentage
Reasons for selecting the unit	Independence	50	16.7
	Privacy	26	8.6
	Safety & security	69	23.0
	Life ambition	134	44.7
	Saving the income	18	6.0
	Possibility of extension	2	0.7
	Get together for children	1	0.3
	Total	300	100
Nature of the sites	DTP approved	105	35
	Panchayat approved	195	65
	Total	300	100
The choice of constructing of Dwelling unit	Accept the model, pattern and design offered by the promoter	153	51
	Make the contractor construct as per one's interest	35	11.7
	Accept the model, pattern with slight changes in the design of the unit based on one's interest / willingness	112	37.3
	Total	300	100
Estimation of the dwelling units	Below Rs.10,00,000	44	14.7
	Rs.100001 – Rs.15,00,000	148	49.3
	Above Rs.15,00,000	108	36.0
	Total	300	100
Cost of completion of the project	Less than the estimation	9	3.0
	Exactly the estimation	95	31.7
	Exceeded the estimation	196	65.3
	Total	300	100

Table 2: Essential Elements for Selecting Dwelling Unit

The Table No.2 inferred that 44.7 % of respondents life ambition was to construct a house for self usage, 65 % of the respondents prefer panchayat approved sites, 51% of the respondents' choice of construction of dwelling unit was Design offered by the promoter. 49.3 % of respondents preferred dwelling unit estimation was about Rs.10,00,001 to Rs.15,00,000, 65.3 % of respondents estimation on cost of project exceeds their budget proposal.

Factors	Variables	Frequency	Percentage
Source of funds	Personal savings only	76	25.3
	Bank loans	17	5.7
	Private finance	16	5.3
	Personal savings & bank loans	191	63.7
	Total	300	100
Type of interest	Fixed interest rate	150	67.0
	Flexible interest rate	74	33.0
	Total	*224	100
Period of loan	Below 8 years	90	40.2
	9-10 years	68	30.3
	Above 10 years	66	29.5
	Total	*224	100
EMI (Equated Monthly Installments)	Below Rs.5000	17	7.6
	Rs.5001-10000	147	65.6
	Above Rs.10000	60	26.8
	Total	*224	100

Table 3: Availability of Loan Facilities for Dwelling Unit

* 224 respondents borrow loan and it does not include personal savings of respondents.

The table no.3 explains that the availability of loan indicates the respondents behavior towards various a factors were,63.7 % of respondents prefer personal savings and bank loan as their sources of fund for constructing dwelling units, 37.2 % of respondents borrow loan to the extent of Rs.5,00,001 to Rs.8,00,000, 67 % of respondents preferred fixed interest mode of payment, 40.2% of respondents preferred below 8years period of loan facility, 65.6% of respondents paid EMI of Rs. 5001to Rs.10,000 per month.

Area Occupied	Below 800 sq.ft.	51	17.0
	800-1000 sq.ft.	72	24.0
	1000-1500 sq.ft.	119	39.7
	Above 1500 sq.ft.	58	19.3
	Total	300	100
Type of Flooring	Cement	7	2.3
	Mosaic	79	26.3
	Tiles	132	44.0
	Marbles	53	17.7
	Granites	29	9.7
	Total	300	100
About wood work	For Whole house	170	56.7
	For part of house	130	43.3
	Total	300	100

Table 4: Consumer Requirements

From the table 4 it was identified that 39.7% of respondents occupies 1000-1500 sq.ft, 44 % of respondents preferred tiles for flooring, 56.7 % of respondents prefer house with full of wood work.

6. Chi-Square Analysis

The chi-square test has been used to find out the relationship between the socio economic factors and satisfaction level of the sample respondents.

Hypothesis: H0: "there is no significant association between various socio-economic variables (Age, Sex, Marital status, Educational qualification, Occupation, Monthly income, No. of family members, nature of dwelling) and satisfaction level of the respondents about the dwelling unit.

FACTOR	Calculated value	Table Value	Degrees of freedom	Significant/Not Significant
Age	12.911	9.488	4	Significant at 5% level
Sex	6.698	5.991	2	Significant at 5% level
Marital status	6.079	5.991	2	Significant at 5% level
Educational qualification	11.037	9.488	4	Significant at 5% level
Occupation	3.749	9.488	4	Not Significant
Monthly income	9.570	9.488	4	Significant at 5% level
No. of family members	10.803	9.488	4	Significant at 5% level
Nature of dwelling	14.256	9.210	2	Significant at 1% level

Table 5: Chi-Square Test Results

Chi square test indicates that the there is a significant relationship between the demographic factors of respondents such as age, sex, marital status, formal education, monthly income and number of family members and the level of satisfaction perceived by them in preference of dwelling units. Nature of dwelling unit satisfies the 1% significant level and it indicates the significant relationship with the level of satisfaction of respondents. Occupation of respondents was not significant at 5% level of significance and it indicates that there is no significant relationship between occupation and level of satisfaction of respondents.

S. No.	Problems	Total Score	Mean Score	Rank
1.	Annual tax	18130	60.4	I
2.	Maintenance Problem	17247	57.5	II
3.	Wear and tear	15997	53.3	III
4.	Water problem	14312	47.7	VI
5.	Decreasing value	13904	46.3	V
6.	Unfriendly neighbourhood	14316	47.7	VI
7.	Community problem	15329	51.1	VII
8.	Lack of good structure	10840	36.1	VIII

Table 6: Problems

Table No:6 it is found that of all the problems, the problem faced by the respondents is payment of high rate of annual tax to the government comes first followed by maintenance problem as the second problem. The third problem is wear and tear of the house, fourth is water problem, fifth problem is decreasing value, sixth problem is unfriendly neighbourhood. The seventh is community problem. The last in the list lack of good structure of the building.

7. Suggestions

- i. The distrust on the part of the contractors/ engineers, but also their inability to take them to task and penalize for the poor quality in the respondents' work structure. So, People should be made aware of their privilege in demanding "what is right for what they pay".
- ii. The study highlights that there must be a central system by the metro development authorities in approving the sites.
- iii. The government may relax the taxation charges levied on housing units.
- iv. The government may consider minimizing the documentation charges at the time of registration of houses.
- v. The government should take necessary action to safeguard the people by regularizing all sites with DTP approval to avoid misfeasance.

8. Conclusion

The growth of new colonies with well planned houses which have been built with modern infrastructure stands a testimony to the growth of economy and thereby the affordability, on the other side, it is definitely hitting the agro based production. That Indian subcontinent is 70% agrarian population is not to be discharged easily. The present self sufficiency in food production may not last long if donating the cultivable lands for construction of dwelling units. The management of public housing by the government in most countries is often labeled poor maintenance, and more often than not, tenants are unsatisfied with their dwelling units. This is further exacerbated by the high vacancy rates resulting in many abandoned units being left to rot. The problem could not be overcome due to a lack of funds faced by the housing management. The public housing management in Erode is also not exempt from problems in managing their units. Housing is often viewed as an entity involving a large number of units displaying aspects such as physical quality, location, standard of services offered by the government and private owners as well as neighborhood characteristics. The physical entity of housing ties down a person or family to personal services and relationships. A housing that fulfils one's daily needs provide a high satisfaction rate to residents. Satisfaction towards the living conditions means no complaints are made since the housing units fulfill the needs and aspirations of the residents.

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