Marketing Mix and Real Estate Purchase Intention through Social Media Channel

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Abstract

Purpose: The purpose of this study is to determine if Marketing Mix effect purchase intention of real estate through social media channel in Thailand. **Research design, data and methodology:** In this study, 7Ps of marketing mix were used as independent variables and Purchase Intention was dependent variable. The study used quantitative research. Descriptive and Inferential Statistics were used to analyze data. This research was conducted in Thailand during 2023 with sample size of 405 who are people who live in Thailand and have used social media. **Results**: With Regression Analysis, the result showed that from all 7Ps (product, price, place, promotion, people, process, and physical evidence), only Product, Place, and Physical evidence have significantly affect purchase intention of real estate through social media channel in Thailand. **Conclusions**: Marketers may focus on Product, Place, and Physical Evidence in order to increase Real Estate Purchase Intention through social media.

Keywords : Marketing Mix, Purchase Intention Models

1. Introduction

Nowadays, online commerce is growing steadily. Because of advance technology, changing social conditions, lifestyles and people's needs which causing consumers to turn to online channels for many activities (such as shopping, researching, etc.) because it is convenient, fast, and easy to access from anywhere in the world just have an internet connection. Thailand is another country with internet usage reaching 77.8% of the total population or approximately 54.50 million internet users. which compared to last year. There has been an increase in the number of internet users reaching 10.8 thousand of users or a 0.2% increase in just one year (Social Media Penetration in Thailand, 2022). Thailand is one of the leading countries in social media in Southeast Asia. According to the study, the most used social media platform for Thai internet users is Facebook (93.3%), followed by Line (92.8%) and Facebook messenger (84.7%) according to the number of internet users between 16-64 years old is active on that platform per month (Figure 1), and the number of users on social media platforms in Thailand is expected to increase. to 62 million by 2025 (Social Media Penetration in Thailand, 2022).

Real estate in Thailand is another industry that has been affected by changes in technology, behavior and the needs of consumers who turn to the internet and have intention for their purchase in almost all types of products and services including real estate that has relatively high prices. The research found that real estate accounts for 8% of Thailand's GDP, a very important ratio for the Thai economy (Klinchuanchun, 2021). This is because real estate development operations have a very high turnover of financial costs in the Thai economy. It also helps support overall labor costs by increasing employment rates and salaries. Because of the real estate sector is a large industry which has a great influence on many related businesses, including construction business, Suppliers of building materials, furniture suppliers, Government sectors and State enterprises.

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The objective of this study is to find if Marketing mix factors (7Ps) influence purchase intention of real estate through social media among people who live in Thailand.

2. Literature Reviews

2.1 Marketing Mix (7Ps)

The marketing mix is a concept that is said to have been developed by professor and academic, Borden (1895) who elaborated on James Culliton's concept of business executives being mixers of ingredients. Ingredients being different marketing features and practices. The marketing mix was later refined by professor and author, Jerome McCarthy, to specifically include four key components: Product, Place, Price and Promotion. McCarthy wrote about the '4 Ps' in the 1960s in his book Basic Marketing: A Managerial Approach. 4Ps then paved the way for two modern academics, Booms and Bitner (1981) saw three additional factors that serve a great purpose including Physical Evidence, People, and Process. This formed the extended marketing mix that is known today as the 7Ps of the marketing mix. Due to changes in technology and many factors surrounding consumers. As a result, their behavior will vary according to the demand in the product still exists but 21 the demand for the better service and satisfying experiences that they expect from brands are higher.

2.1.1 Product

Product does not only mean that 'Goods and Services' because it includes the characteristics of the product that will be able to convey to customers that it is a 'brand'. Marketers need to get insight and write down who the customer's Persona is. What kind of preferences do consumer have? What is the consumption behavior? Another model is the study of feedback from customers who have used products and services of the brand before in order to elevate the product to be better and more satisfying (Chantarasiri, 2021).

2.1.2 Price

Price is what operators use as the main form of pricing their goods and services. This part affects consumers directly already because they are looking for good quality products at a price that is worthwhile and willing to pay. If the brand's product quality is not good enough and with high price, the customers themselves are not willing to pay for that product. If this factor is considered, marketers will see that the price setting where the brand's products are and use other strategies to help consumers be more willing to pay for it, such as discounts or free shipping, as well as easy payment methods. and other features that add value to the product in customers' perspectives (Chantarasiri, 2021).

2.1.3 Place

The distribution (or place) refers to the structure of channels consist of institutions and activities used to move goods and services from an organization to a market. Distribution is divided into two parts which are distribution channels 22 consist of producers, intermediaries, and consumers. Another part is distribution of goods. (Chantarasiri, 2021).

2.1.4 Promotion

Promotion refers to how brands communicate with consumers and related people but how effective it will be depending on whether the marketer understands how to communicate to consumers or not. especially in the world of online marketing. Doing only one channel, the messages that were sent out were not able to reach the target audience thoroughly. Using communication tool as another way to reach the target customers, for example, advertising on all social media channels, whether Facebook, Instagram, or Google, doing various promotions on social media, or creating campaigns (Chantarasiri, 2021).

2.1.5 People

People, it covers both the employees in the organization and the people involved in the purchase intention process and after the purchase of the consumer. Because of the behavior of customers expects to receive more excellent service from the brand than before. So, it is very important to select the right employee to the right position (Chantarasiri, 2021).

2.1.6 Process

Chantarasiri (2021) said that process means the brand's service process or process that applies to the product and service. This factor will help an organization to understand your customers and create a better customer experience.

2.1.7 Physical Evidence

Physical evidence refers to all existing and potential features customers see when engaging with your business. It can be the tangible proof that establishes 23 credibility, the look and feel of your business branding and the physical and digital environment (Chantarasiri, 2021)

2.2 Consumer Behavior Theory

Walters (1974) defines consumer behavior that the process whereby individuals decide whether, what, when, where, how, and from whom to purchase goods and services. Mowen (1993) provides a different definition by explaining consumer behavior

as the study of the buying units and the exchange processes involved in acquiring, consuming, and disposing

of goods, services, experiences, and ideas. This definition focuses on buying units in an attempt to include not only the individual but also groups that purchase products or services. Schiffman and Kanuk (1997) define consumer behavior as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products, services, and ideas. Schiffman and Kanuk (1997) elaborate on the definition by explaining that consumer behavior is, therefore, the study of how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. It includes the study of what, why, when, where, and how often they purchase and how they use the purchased product. In addition, it encompasses all the behaviors that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs.

2.3 Relationship between marketing mix and purchase intention

Kotler and Armstrong (2004) discussed the theory of Marketing mix factors (7Ps) that have 1) Products means products and services that contains main products and complementary products which shows the benefits that customers want to create a competitive advantage 2) Price 3) Distribution channel (Place) means when will the service be delivered to the customer and how much time it takes to deliver the service; and where did it happen and how to deliver 4) Promotion is an activity incentive design and marketing communications to create satisfaction for customers 5) People must make efforts in planning both manpower, recruitment, selection. Personnel and development training and must motivate all relevant employees. 6) Physical Evidence is location and environment including elements various things that can be grasped and facilities to operators and 24 customers who use the service 7) Process is a way of creating work. and deliver the product by relying on design and implement effective processes. Apart from that, marketing mix is a marketing tool used by business organizations to encourage consumers to demand what business organizations have to offer. Marketing mix means the controllable marketing variables shared by the company to meet the satisfaction of the target group (Serirata et al., 2009). These findings show the potential effect that marketing mix factors can influence towards the purchase intention of consumer.

2.4 Conceptual Framework

The conceptual framework is derived from the marketing mix theory or 7Ps that includes product, price, place, promotion, people, process, and physical evidence that may relate to the purchase intention of the consumer

significantly. According to the marketing Mix (7Ps) strategy, it helps the company to review and define important matters that affect the marketing of real estate products and services. Since, nowadays, not only do product related factors play an important role, but the consumers also give importance to the service as well (Booms & Bitner, 1981). From the above literature review It can be summarized as a research framework as following;
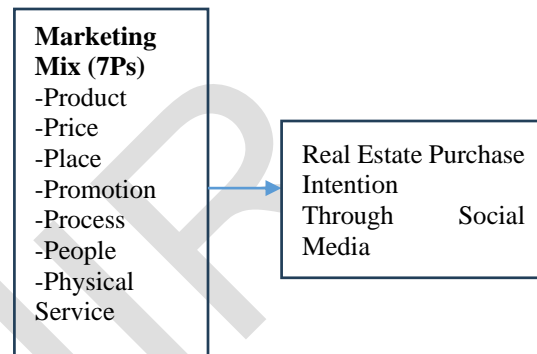

Figure 1: research framework

Hypothesis
Marketing mix factors do not have influence on the purchase intention of real estate through social media among population in Thailand.

3. Research Methodology

This research examines the factors influencing purchase intention of real estate through social media among population in Thailand. The study used quantitative research which uses a questionnaire as a tool in data collection and analysis by using the processing from the ready-made program, and then summarize the research results in order to present the findings in the form of tables and accompanying lectures to applied Descriptive and Inferential Statistics to evaluate the reliability of the questionnaire, analyze information and testing the hypotheses.

Population and sample
The population used in this research is a group of people who live in Thailand and use social media.
Since the population who live in Thailand and use social media is unknown. Therefore, it was calculated by using the formula to determine the size of the sample $n = Z^2 / 4E^2$ at a 95% weld level and a maximum error of 5% (Tangkhunsombat, 2021).
$n = 1.96^2 / (4\ x\ 0.05^2)$
$n = 384.1$
where n = sample size

Z = standard normal obtained from the standard normal distribution table

E = error in estimating the total population proportion that is acceptable.

When substituted in the formula where the confidence level given is 95%, therefore, the value of Z = 1.96 and the acceptable margin of error in estimating the total population is 5%. Therefore, E = 0.05. Apart from that, the researcher gets the number of samples (n) = 384.16 people, so the researchers have increased the number of samples from for 5% in order to prevent mistakes in total of 405 people, so that the results are accurate in hypothesis analysis and using random sampling criteria. The sample will be randomly selected using *'Convenience Sampling'* in selecting respondents until completely the number need.

Research Tools

This research is quantitative research by using a questionnaire as a data collection tool. by the researcher share the questionnaire which are divided into 4 parts as following:

Part 1 It is a question about general information of the respondents, including gender, age, education level, occupation, income, and address.

Part 2 It is the screening questions about Real Estate Interests, including interested property type, desired function, budget for purchasing real estate, objectives of purchasing real estate and the nature of your property purchase. The questions in this session are multiple choice.

Part 3 It is the questions about behavior and experiences in real estate found on social media, including social media respondents are currently using, social media respondents use the most, social media usage frequency, length of time using social media per day, channels respondents experience about residential projects in Thailand, and experiences on real estate ads on social media. The questions in this session are multiple choice and checklist.

Part 4 It is the questions about different opinion levels and purchase intention levels according to the marketing mix factors influencing purchase intention on real estate, including product, price, place, promotion, people, process, and physical evidence. The questions in this section are questionnaires in the form of rating scales which has the criteria for determining the weight of the assessment into five levels according to the Likert method (Five Point Likert Scales)

Pretest

The number of respondents to conduct a pretest was suggested that should be at least 25 samples (Vanichbuncha, 2017). Apart from that, the pretest of this study was conducted among 30 respondents in order to find out a possible weakness in the design of questionnaire to be revised and improved before actual fieldwork. So, the instrument was randomly pretested on 30 target samples to evaluate the understanding and reliability of the questionnaires and analyzed by Cronbach Alpha co-efficient test at the end.

Validity

As this study based on Theory of the marketing mix and customer behavior (purchase intention) have been used in many studies. The researcher adapted the research tools and variables from the existing research of Srichandla (2013), Pae-Rai (2016), and Phetkhum (2016). The validity of the questionnaire was established since the questionnaires has been utilized and validated by the previous researchers. As a consequence, it can conclude that the measurement of this research is valid.

Reliability

Field (2000) and Hooper (2007) mentioned that in order to assess reliability of the questionnaires collected in the pretest, Cronbach's Alpha is generally used as an indication of reliability of the questions. Therefore, to determine reliability of factors in the question of this research, excluding demographic data, Cronbach's alpha of over 0.6 is usually required. As mentioned before, pretesting was done by distributing 30 questionnaires to the respondents who lives in Thailand. Since this study aimed at finding out the prevalence of purchase intention of consumers. According to the result of Cronbach Alpha co-efficient analysis, all 47 questions were tested which the Cronbach Alpha result is higher than 0.6.

Methods of data collection

In the study of research on factors affecting the purchase intention of real estate through social media among population in Thailand. The researcher used a questionnaire to collect data from the group. Samples were collected from the sample group who directly answer the samples via Google forms which was translated into Thai version and sent the questionnaire via social media channels such as Facebook and Line, etc., because the sample group are Thai and they can easily access this channel and it is a way for the researcher to obtain a large number of samples for a limited period of time, with a period of data collection in December 2023.

4. Findings

Total of 405 questionnaire responses were collected and can be used to represent the whole population. It was found that the demographic characteristics of the sample can be

divided into 73.6% female, 25.7% male and 0.7% not specified. Most of them are between the ages of 21 – 30 years old accounted for 67.7% from all. Therefore, most of the educational levels of the sample were Bachelor degree which accounted for 82.0%. Most of the occupations of the sample group are private company employees which accounted for 80.7% and average monthly income of the sample
mostly in level of 15,000 - 25,000 baht which accounted for 50.9%.

For social media behavior, the behavior of social media usage and experiences in real estate found on social media among population in Thailand, the behavior of the sample can be summarized as follows. The most social media channels that samples are currently using which can be answered more than 1 channels, most of them use Facebook which accounted for 99.8% followed by Line 98.8%, Facebook Messenger 78.5%, Instagram 77.5%, TikTok 44.9%, Twitter 25.9%, Pinterest 4.9%, Discord 4.2%, LinkedIn 4.2%, iMessage 1%, Telegram 0.7%, Skype 0.7%, and WhatsApp 0.2% . The most social media that samples use is Line which accounted for 69.6% followed by Instagram 14.3%, Facebook 12.6% and TikTok 3.5% (Figure 4.2). Then, social media usage frequency per week among sample is 'Everyday' which accounted for 99.0%. Apart from that, it can be considered that social media has become a part of people's daily lives nowadays. Length of time using social media of samples per day is 'More than 5 hours' accounted for 41.0% followed by 3 - 4 hours 36.0%, 2 – 3 hours 16.8% and less than 1 hour 6.2% orderly. In addition, the experience of samples about seeing real estate ads on social media channels, 100.0% of target sample have seen those ads (e.g., Facebook Ads) on social media. As samples have ever seen some ads online, the most social media channels that samples seen ads about real estate which can be answered more than 1 choices is 97.0% of sample have seen ad on Facebook by Line 56.8%,

Facebook Messenger 33.3%, Instagram 23.2%, TikTok 13.6% and Twitter 3.7%.

For descriptive analysis of the overall purchase intention on real estate is at high purchase intention level ($\bar{x}$ = 4.46). The highest mean score is "You intend to buy real estate such as houses". condominiums, etc. through social media in the future." ($\bar{x}$= 4.77) followed by "You have the necessity of needing your own residence." ($\bar{x}$= 4.14)
For Marketing Mix, the overall mean score for each variable is shown in Table 1.

Table 1: Descriptive Analysis for Marketing Mix

Variables	Mean	S.D.	Interpretation
Product	4.55	0.28	Most Agree
Price	4.68	0.29	Most Agree
Place	4.67	0.28	Most Agree
Promotion	4.59	0.27	Most Agree
Process	4.35	0.36	Most Agree
People	4.57	0.35	Most Agree
Physical Evidence	4.67	0.30	Most Agree

For hypothesis testing, it was found that a significant R^2 value at 0.059, indicating that the marketing mix explained 5.9% of the variance in purchase intention of real estate through social media among population in Thailand. Also, the model was a significant predictor of purchase intention of real estate through social media.

Results of multiple regression analysis of factors affecting purchase intention on real estate through social media among the customer in Thailand is shown in Table 2. It was found that a significant R^2 value at 0.059, indicating that the marketing mix explained 5.9% of the variance in purchase intention of real estate through social media among population in Thailand. Also, the model was a significant predictor of purchase intention of real estate through social media. Product, Price, and Physical Evidence have an influence on real estate purchase intention.

Table 2: Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.944	0.769		3.828	0.000*
Product	0.268	0.120	0.119	2.240	0.026*
Price	0.000	0.144	0.000	0.001	0.999
Place	0.298	0.095	0.170	3.145	0.002*
Promotion	-0.094	0.120	-0.052	-0.780	0.436
People	0.007	0.129	0.003	0.055	0.957
Process	0.181	0.125	0.079	1.447	0.149
Physical evidence	-0.316	0.142	-0.137	-2.226	0.027*
R = 0.242, R2 = 0.059, Adjusted R2 = 0.042, F = 3.525, Sig. = 0.001*					

5. Conclusion

After reviewing the research questions together with the survey result, it was found that the demographic of people living in Thailand on the purchase intention of real estate via social media differed in terms of gender, age, education level, occupation, and income, except the address factor. According to the survey results, people who age at 21-30 have more intention to buy house than other groups like a group of 41-50 which can be interpreted that they have already graduated, start to work and some may have plan for a marriage and build their own family so the people in this age ranges may want to have a house for building a family whereas age of 41-50 already have their own house, so the level of intention to buy the new house are lower. In terms of address (or homeland) among the sample does not affect their purchase intentions which may be interpreted as there is no difference in terms of an intention to buy because there lives in a similar geography, environment, culture, traditions, lifestyles, and behaviors.

In terms of marketing mix factors (7Ps) including product, price, place, promotion, people, process, and physical evidence about purchase intention of real estate through social media among people who live in Thailand are surveyed as well. It can be concluded that three out of seven factors affect the purchase intention of real estate through social media among people who live in Thailand which are product, place, and physical evidence factors. To start with, product factor is very important to create the intention to purchase among consumer so the research and development about the types, designs functions, facility and security of the product may be the thing that should pay attention significantly. In terms of price, it does not affect the purchase intention among sample group because they maycare more on the product and place. In terms of place, it can be analyzed that the place or distribution channel is very important to be concerned because this factor also affect the purchase intention of sample group. Social media is one opportunity for an entrepreneur to increase the awareness among their target audience that can lead to the higher intention to purchase their product in the future. In terms of promotion, it does not affect the purchase intention of people who live in Thailand because many company try to offer similar promotions for their customer so they may feel it is not interest. Most of them tend to value on bank lending opportunities and the remaining amount from the loans more than the basic promotion from the company due to the low salary, high debt and bad credit so this is the reason why general sales promotions do not affect their purchase intention. Lastly, physical evidence also affects the purchase intention of target audience so the marketing and sales team may use this to be the focus point to develop the customer service and experience especially on social media that can lead to the higher performance and opportunities to close the sales at the end.

As for the hypothesis testing of marketing mix factors (7Ps), the research results showed that product, place, and physical evidence factors affects the purchase intention of real estate through social media among population in Thailand at the 0.05 significance level while price, promotion, people, and process factor do not affect the purchase intention of real estate through social media among population in Thailand at the 0.05 significance level.

Recommendation

Firstly, most of the respondents were females aged 21-30 years old, and the application they used the most was LINE. The recommendation from this survey was entrepreneurs, marketing and sales teams or related position can apply this information to develop the form of media, whether it be format or content, to suit the target audience and platform. According to the survey results in terms of interest and budget of an interested real estate among the target group in this research, it was found that the target group is interested in 'Detached houses' and has a budget for real estate of 2-3 million baht that can be explained that the target group lives in Thailand which may have an average salary that is not as high as the central region and its vicinity so their budget is not that high. Apart from that,

The real estate developers can use the results of this survey to research and develop future projects to meet market demands. So, when the product meets the market demand, the company's sales and profits will also be higher. In addition, the demographic information of the respondents, including gender, age, education level, occupation, income and address, can also be used to determine target group, appropriate budget for advertising and marketing of the company as well. For example, the company can use this information to determine the target group for ads on Facebook. The target group will be female, aged between 21-30 years old, graduated with a bachelor's degree or equivalent This will allow companies to control budgets and deliver messages to more specific and efficient target groups. Not just only adjusting or developing an effective strategy, media, and content but the key performance indicators is also important to indicate whether the performance are achieved the expectations or not. Although it cannot be denied that various offline channels used in public relations to introduce the project will still be regarded as the main channel but in modern times which is an era where society has fully stepped into the digital world, an entrepreneur in real estate business where are competitive and have a high market value. If any organization do not start looking or learn to market in online that may affect the purchase intention of customer, it may affect the business in the long term definitely.

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