

Empirical Study on the Impact of Consumers' Perceived Risk on the Purchase Intention in the Housing Market — Taking Beihai City as an Example

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Abstract: With the continuous progress of our society and the rapid development of economy, people's demand for commercial housing has been maintained at a high level for a long time. This paper mainly studies the perceived risk of ordinary residential products in the real estate market, draws on the classic consumer perceived risk model, and obtains the consumer perceived risk model in the commercial housing market after conducting field interviews and consulting experts in Beihai city. Finally, on the basis of summarizing the analysis results, the results are discussed in depth and constructive management suggestions are put forward for the actual situation of Beihai city.

Keywords: Commercial Housing; Perceived Risk; Willingness to Buy Houses

1. Background

From a global perspective, the overall process of urbanization changes along the "Natham" curve. After the urbanization rate exceeds 30%, it enters the acceleration stage until the urbanization rate approaches 70%. By 2021, China's current urbanization rate is 64%, which is far from the urbanization rate of developed countries plus 75%. Based on the different assumptions that the annual average urbanization rate from 2000 is 1% -1.5% to 2010, the time for China to achieve the rapid development stage represented by the 70% urbanization rate is estimated: that is, the real consumer demand provided by the urbanization process for the real estate industry will last until around 2030. Therefore, China is in the process of accelerating urbanization, thus generating the rigid demand for urban housing, and in the long run, the development of China's real estate industry will continue.

In recent years, the real estate market in Beihai city has gradually recovered, and the urbanization rate in Beihai city has reached a high level of 60% in 2021. According to the average growth rate of China's urbanization rate in the past 10 years, the urbanization rate of Beihai city will increase to a high level of 72% -77% by 2030. It can be predicted that the real estate market in Beihai city will continue to prosper and develop rapidly in the next 10 years. In recent years, the government's policy on the real estate industry has gradually tightened. Under the high pressure policy, buyers all over the wait and see atmosphere, and Beihai buyers are gradually calm, and the market has returned to rationality from the fever. The trend of the real estate market in the coming period of time is still uncertain under the influence of many uncertain factors such as government policies and people's psychology.

2. Research objectives

China's real estate market has only been established for more than ten years, although the rapid and rapid development, but the theoretical circle and practitioners of the internal mechanism of the real estate transaction market is still far behind foreign countries. The research on the market segments is lagging behind the foreign counterparts. Therefore, this study mainly addresses the following three questions:

1. Study the impact of buyers 'perceived risk on buyers' willingness to buy houses
2. Explore the weight analysis of house purchase intention in product risk, social psychological risk, ownership risk, financial risk, time risk, policy risk and other dimensions
3. What are the factors that cause the heterogeneity of the empirical research results in the housing market?

3. Range of study

3.1 Theoretical significance and value

With the acceleration of China's urbanization process and the people's increasing demand to improve their lives, the housing market will be more prosperous and perfect on the original basis, and the corresponding real estate research theory will also usher in a new prosperity. However, it should be fully realized that China's national conditions and people's conditions have a very distinct particularity. Under the basic system of public ownership in China, the ownership of land belongs to the state, and the primary market in the process of real estate development is not completely marketized. These are China's unique national conditions, so there are big differences in the domestic and foreign real estate markets. China's real estate theory should go ahead of practice and accelerate the research of China's real estate market, especially the segmented market segments. This paper will study the risk perception of the commercial housing market in the real estate market.

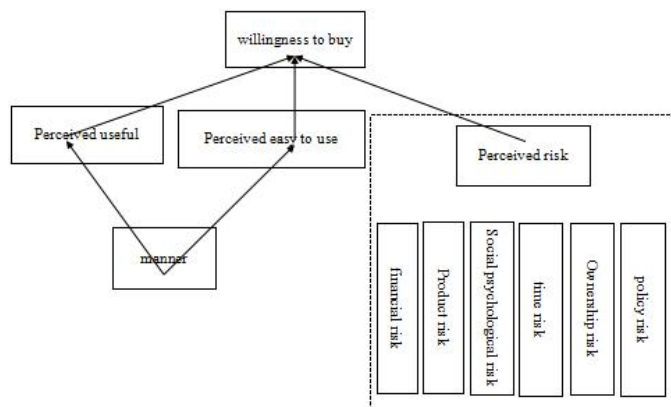
3.2 Practical meaning and value

Through the research results of this paper, the main factors affecting consumers' purchase intention to the housing market can be explored, the results can be discussed in depth and constructive management suggestions can be proposed for the actual situation of Beihai city. This paper from the real estate commodity housing market segment, empirical study the influence of buyers perceived risk to buyers, for real estate development enterprises, government, consumers provide a more rational view of commodity housing market, finally achieve enterprise profit, government praise, good social benefits of multi-win purpose.

3.3 Regional demographic characteristics of the study

The population sample studied in this paper is from Beihai urban area of Guangxi, mainly with different background people in Beihai urban area. Based on the area limited by the research topic, the researchers strictly limited the scope of the study, and limited the sample collection category to the urban area of Beihai, Guangxi.

4. The conceptual framework of the study



5. Theoretical principle

There is a positive correlation between perceived value and purchase intention. Consumers will choose the scheme with the largest perceived value when making purchase decisions. Based on the above theory, scholar Cao Yating (2022) put forward the theoretical model of purchase intention. Bi Jidong (2009) found that the quality of online reputation will change the original purchase intention of consumers. The higher the trust of consumers, the better the perceived usefulness, and their purchase intention will also increase. Scholar Shen Wei (2022) proposed the model based on this. Scholar Lu Yanfeng (2006) found based on the technology acceptance model that consumers' different perception of online word-of-mouth can determine the communication effect. Wood and Scheer (1996) believe that a customer's perceived risk has a negative impact on the perceived value. Grewal, Monroe, and Krishnan (1998) believe that the greater the perceived risk, the less the perceived value. Scholar Deng Juanhong (2014) proposed a model based on this. Bauer (1960) suggested that consumers have uncertainty about the results in their purchasing decisions.

6. Related studies

In Bauer (1960), he did not propose what elements that perceived risk included, but he believed that the possibility of loss associated with any brand choice implies the dimensions of perceived risk, such as financial, social and psychological content. Since then, many researchers have done detailed studies on the dimensions of perceived risk, and a large number of empirical studies have demonstrated the multidimensional nature of perceived risk (Havlena and Desarbo, 1991).

In studying the impact of perceived risk on telephone shopping consumption behavior, Cox and Rich (1964) noted for the first time that perceived risk has multiple dimensions, such as loss and frustration in self-esteem, time risk, and financial risk, and these dimensions are all caused by the purchase results do not meet the expected goals of the purchase.

Conclusion

The perceived risk of commercial housing is composed of six dimensions: product risk, psychosocial risk, ownership risk, financial risk, time risk and policy risk. Among them, the ownership risk and policy risk are different from the traditional perceived risk model, which belong to the special risk composition of China's real estate industry. Among the six dimensions of consumer perception risk in the commercial housing market, ownership risk and psychosocial psychological risk have the highest impact on the purchase intention of Beihai commercial housing potential consumers, followed by product risk and time risk, and financial risk and policy risk have the least impact.

In the commercial housing market of Beihai city, consumers' product risk, social psychological risk, ownership risk, financial risk, time risk and policy risk all have a negative impact on consumers' final intention to buy houses. That is to say, the higher consumers' perception of product risk, psychosocial risk, ownership risk, financial risk, time risk and policy risk, the lower their willingness to buy houses.

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