



## To Study the Consumer Behaviour towards Purchase of House under TNHB Schemes *with reference to Chennai city*

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**Abstract** Housing is an important infrastructure of the economy and serves as an important indicator of human development. Housing exercise generates employment too, besides contributing to national revenue. Investment in housing represents 20 to 30 percent of fixed capital formation in countries with vigorous housing programmes and it is increasingly well-known as a moneymaking funding item, yielding a float of revenue. The 2011 Census reveals that 53.2 percent of houses in India are good houses, 41.5 percent houses are liveable and 5.3 per cent of houses are dilapidated houses. The study would be an important tool to exemplify the nuances pertains to the consumer's willingness and prospective to own the house in the city, as development encapsulated the concept of consumer choices, preferences, accessibility and affordability but it is also imperative to examine whether the lack of information constraints would enable to obtain the optimum satisfaction over house purchase

### **Key words**

National Building Organisation- Consumer Behaviour theories- Tamil Nadu Government servants Rental quarters(TNGRHS)-Self Finance Schemes(SFS)-Lower Income Group Scheme(LIG)-Middle Income Group Scheme(MIG)-Higher Income Groupcheme(HIG)- Economic Weaker Section(EWS)

### **Introduction**

Housing is an important infrastructure of the economy and serves as an important indicator of human development. It is also an important component of human development and indicative of the quality of life. Housing is a basic necessity, once this is fulfilled, the physical and mental abilities will develop and man/woman becomes resourceful, who can contribute significantly for the economic development of a family, society and country at large. It is one among the

three basic needs of human life after food and clothing. Housing exercise generates employment too, besides contributing to national revenue. Investment in housing represents 20 to 30 percent of fixed capital formation in countries with vigorous housing programmes and it is increasingly well-known as a moneymaking funding item, yielding a float of revenue. A good-planned housing can expand countrywide productivity, financial system on city house and as



good scale back the rate of delivering city infrastructure.

### Review of Literature

Harish (2011) analyzed the urban land use pattern is an outcome of geographical and socio economic factors by man the decades. Hence spatial information on land use and possibilities for optional use is essential for the section, planning and implementation to meet the increasing demands for human needs and welfare of the urban areas.

### Status of Housing in India

In India housing insufficiency has both qualitative and quantitative characteristics. According to the estimates of National Building Organisation (NBO) 14.7 crore housing stock was available to 15.1 crore household during 1991, it improved to 24.5 crore housing stock of 24.7 crore household during 2011. Between these two decades the gap seems to decrease, but still 0.2 crore households are required in complete. The 2011 Census reveals that 53.2 percent of houses in India are good houses, 41.5 percent houses are liveable and 5.3 per cent of houses are dilapidated houses.

### Population projections (in millions)

Year	2001	2006	2011	2016	2021	2026
Total	1027	114	1197	1275	1347	1411
Under Age 15	363	360	351	343	337	328
15-64	622	702	780	854	916	967
65+	42	52	66	78	94	116

Table 1

Source: Office of Registrar General, India Economic Survey 2011-12.

The data projects the increase in the population especially in the age group of (15-64) years, it tends to increase the number of dual income families as a result of all-around economic development and increase in literacy rate. The migration pattern of the country due to many reasons like better job avenues, better qualification, better facilities, trends of nuclear families, etc., has been increasing the demand for number of dwellings. The fluctuation in property prices, changing interest rates and easy availability of housing finance plays a significant role in resurgence of the housing sector.

### Need for the study

The study would be an important tool to exemplify the nuances pertains to the consumer's willingness and prospective to own the house in the city, as development encapsulated the concept of consumer choices, preferences, accessibility and affordability but it is also imperative to examine whether the lack of information constraints would enable to obtain the optimum satisfaction over house purchase, at this juncture the study would give the clarity to the policy makers and the TNHB personnel to conceive the polices to promote the domain to address the issues of consumer choices, rights of the consumers sovereignty need to addressed



properly and facilitate them to participate in more effective way in the consumption process thereby ensure the optimum marketing strategy in the one hand and the consumers satisfaction on other hand.

### Consumer Behaviour theories

The major theories of consumer behavior can be grouped with (a) economic theories, (b) psychological theories (c) psycho-analytical theories and (d) socio cultural theories. All the consumer behavioural theories are based on the basic law of consumption i.e. when aggregate income increases, consumption also increases by somewhat smaller amount and is based on the assumptions like spending habits remain the same,

political conditions, remaining normal and economy is free and perfect.

### Profile of the Study Area

My study area is Chennai city of Tamil Nadu. As Chennai is the capital of the Tamil Nadu, the rich source of transportation, medical facilities and educational institutions and other well developed facilities are available. The Chennai Metropolitan Area (CMA) comprises the city of Chennai, 16 Municipalities, 20 Town Panchayats and 214 village Panchayats in 10 Panchayat Unions. The extent of CMA is 1189 Sq.km. The CMA falls in three Districts of the Tamil Nadu State viz.Chennai District, part of Thiruvallur District, and part of Kancheepuram District.

Table 2: Growth of Population in Chennai

Year	Population	Growth Percent
1951	1,416,056	--
1961	1,729,141	22.1
1971	2,469,449	42.8
1981	3,266,034	32.3
1991	3,841,398	17.6
2001	4,343,645	13.1
2011	4,681,087	7.8

Source: Census Reports of India (various issues)

It may be observed from Table 2 that the level of urbanization in Tamil Nadu was very much higher than the national level during the four decades covered under the study and last decade showed a higher percentage of 16.3 per cent. The highest difference during the last decade in Tamil Nadu showed a positive sign of urbanization, mainly due to development in small and medium towns, especially majority of the people involving in informal and service sector activities.

### TAMIL NADU HOUSING BOARD - An Overview and its Operation

The Tamil Nadu Housing Board is a body, duly constituted by an act called "Tamil Nadu Housing Board Act, 1961". Originally a City Improvement Trust which becomes the present Tamil Nadu Housing Board. The Tamil Nadu Housing Board is catering the Housing needs of different categories of the society in tune with their economic affordability. The Board is managed by a Board of Directors with due representation from other state organizations, conducting meetings periodically taking policy decision to guide the Board. Since its inception, TNHB has created 4,05,494 residential



flats/houses/plots to all categories of peoples of Tamil Nadu, such as EWS/LIG/MIG/HIG and rental quarters for the Government servants under TNGRHS, in phased manner at a cost of Rs.4311.17 crores (including maintenance and special repair of Govt. and Board buildings). Tamil Nadu Government servants rental quarters (TNGRHS) are constructed and being maintained by TNHB on behalf of Government by obtaining funds from Government. The works are in progress for the construction of 606 Multi Storied Tamil Nadu Government Servants Rental Housing Schemes flats at Anna Nagar West Extension at a cost of Rs.185.81 crores. The work of construction of 60 Numbers of Ex-MLA quarters and conference hall in Chennai at an approximate cost of Rs.50.00 crore will be commenced shortly. Action is being taken for the demolition of 2238 old Tamil Nadu Government Servants Rental Housing Schemes flats and reconstruction of 6254 flats at a cost of Rs.1740 crores (2608 Self Finance Scheme 3646 Tamil Nadu Government Servants Rental Housing Schemes) located in 17 places of Chennai City in a phased manner, avoiding hardship to Government servants due to dislocation. Initial works are under process to construct (560 Self Finance Scheme & 1521 TNGRHS flats). Action is being taken to construct 1900 Tamil Nadu Government Servants Rental Housing Schemes flats at Kavundampalayam and 1881 flats under Self Finance Scheme in 5 other places at Coimbatore.

### Objectives of the study

1. To study customer's views on housing schemes by TNHB in Chennai, and

2. To examine the consumer behavior towards purchase of house under TNHB schemes in the study area.

### Methodology

The sample of the study was selected on the basis of convenient sampling techniques for analyzing the perception of the House and plot seekers. Primary data was used and well-framed questionnaire prepared to conduct the research. The period of three months was undertaken to carry out the study. The study is restricted to selected zones of Chennai city. Necessary data were collected from the TNHB branch offices at various branches located within the city limit of Chennai.

To carry out the study Lickerc five point scaling test was used.

### Analysis and Interpretation

About 15.6 percent respondents obtained the information from their relatives and friends. 23.6 percent acquired the information from TNHB Personnel, about 6.4 percent got information from Radio, about 22.4 percent obtained the information from online advertisement, exactly 4.6 percent of the respondents obtained the information from Newspaper advertising and TV advertising respectively, around 20.6 percent got the information from various housing loan shows organized by the various companies. Exactly 7 percent of the respondents opined that low rate of interest propelled them to opt the institution, about 4.8 percent stated easy installment, nearly 5.2 percent revealed simple formalities and procedures and 83 percent of the respondents stated that all the above reasons which perpetuated the selected respondents to opt the Tamil



Nadu Housing Board for the housing purpose. About 20.7 percent of the respondents opted lower income group schemes, exactly, 59.4 percent of the respondents opted middle income group schemes cost up to Rs.40 lakhs and 19.8 percent of the respondents chosen higher income group schemes which cost more than Rs.60 lakhs and above.

### Recommendations

Quality of the services need to enhance in accordance with the updated technology, more flexible schemes with respect to the expectations of the consumers. Rigid bureaucratic and nebulous procedures need to be simplified thereby enable the normal persons can understand the procedures. Transparency need to enhanced in allotment and other procedures of Tamil Nadu Housing Board. TNHB need to ensure the reasonable price for their products, it will certainly induce the new consumers who belong to the middle and the lower income classes in rural urban areas also to purchase the houses. TNHB can concentrate on working on effective advertisement as this is the important factor in selling their product. The consumers also feel the same. TNHB need to ensure the durability of the houses through proper usage of the technology and the higher level planning and execution.

### Conclusion

The study concludes there exists three types of plot seekers namely, highly satisfied respondents, moderately satisfied respondents and dissatisfied respondents, the study further revealed that occupation and income are the major demographics influencing the perception of plot seekers. In fact the middle income group showed special enthusiasm in

applying for the housing schemes of TNHB. Around 80% of married respondents are highly meticulous in applying all the schemes recently announced by TNHB. Educational qualification is insignificant in affecting the perception of plot seekers.

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