Behavioural Aspects and Value-Perception Dimensions in Hong Kong Luxury Residential Market

Sze Lok Samson Yeung

School of Business

A thesis submitted in partial fulfilment of the requirements of London South Bank University for the degree of Doctorate in Business Administration

The research programme was carried out in collaboration with International Academy of Management

JULY 2018

Abstract

Purchase of residential property is popular in Chinese society and a certain number of Hong Kong residents own and seek for their homes. Many property developers serve the market and some are focused on luxury residential development in different areas. As the market evolves developers focused on the lucrative luxury end have to be aware of the key determinants that affect homebuyers in choosing luxury residential properties. However, until now, relatively little research has measured consumer value perceptions and buying behaviour for luxury properties.

The literature analysing luxury categories such as handbags, clothing, jewellery and cars deals with various factors that affect perceived value; consumers who pursue expensive high quality products typically want to display their wealth, style, and status to their social circle. But do the same motivations pertain to durable luxury residential properties? Will homebuyers have the same thoughts and behaviours as for other luxury items? This is a clear empirical and theoretical gap in our knowledge of luxury consumption.

In this research, participating homebuyers were asked to express their opinions, attitudes and also their personal experiences of luxury products to address the key question of how perceived values (antecedents) influence purchase intentions (behaviour). Responses were analysed in the context of a conceptual model that included the relevant perceived values and effects toward preferences and choices with the objective of elucidating homebuyers' value-perceptions and purchase intentions. The model was calibrated on 200 survey participants to analyse the relationship between Functional Effects, Interpersonal Effects, Personal Effects, Investing Effects and Convergence of Perceived Effects (the Independent Variables) and the Purchase Intention (the Dependent Variable).

The results reflect the extent to which Purchase Intention is affected by four key variables - Functional, Interpersonal, Personal and Investing effects. In addition, purchase intention can also be aligned with the 5th independent variable – the Convergence of Perceived effects. Each outcome of each independent variable and the integrated sum of variable (Convergence of Perceived Value) shows a strong correlation with the dependent variable.

This research described the economic, social, personal and cultural factors with support from appropriate secondary data that aligned with the investigation model. The results contribute new findings about the importance of Perceived Values and Effects to homebuyers' behavioural intentions.

The managerial implications are 1) the consumer market for Hong Kong luxury property can be usefully segmented along psychological lines, 2) the relevant social norms of Hong Kong conspicuous consumers help developers to identify relevant positioning strategies to capitalize on the exceptional demands of this group, and 3) there are big positive effects of meeting customer expectations in the property selection process.

The study also identifies some limitations, and poses questions for further investigation on additional variables which can be explored in future.

DECLARATION

The work presented herein was carried out solely by the author, under the guidance and supervision of Dr. Dag Bennett and Dr. Charles Graham in the organizational division, Management, Marketing and People of the Faculty of Business at London South Bank University, together with Dr. Paul Sin and Lecturers at International Academy of Management in Hong Kong, in partial fulfilment of the requirements for the degree of Professional Doctorate in Business Administration.

The ideas, constructs, conceptual model, methods and results are original except where otherwise acknowledged or referenced. No portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification at this or any other university or other institute of learning.

RES 13

London South Bank University

RESEARCH DEGREE CANDIDATE DECLARATION FORM

Data Protection Act 1998
The data collected on this form will only be used for the purpose of student and course administration as required by the University and will be retained securely on your file.

Note: This form must be submitted to the Research Degrees Team with the candidate's final hardbound thesis

Name of Candidate: Sze Lok Samson Yeung

Degree for which this thesis is submitted: Doctorate in Business Administration

1. **Statement of advanced/related studies undertaken in connection with the programme of research.**

   The ideas, constructs, conceptual model, method and results of the thesis are original except otherwise acknowledged and referenced.

2. **Concurrent registration for two or more academic awards**

   I declare that while registered as a candidate for the University's research degree, I have not been a candidate or enrolled as a student for another award of this University or other academic or professional institution.

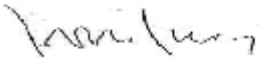
3. **Materials submitted for another award**

   I declare that no material contained in the thesis has been used in any other submission for academic award.

Award:

Awarding Body:

Material:

Signature of candidate:  Date: 26 April 2018

September 2012 **Page 1 of 1**

Acknowledgements

I would like to express a huge thank you to those who have helped me to walk through the journey, inspired me to complete this research work and reach this precious level of academic achievement.

There are many people I would like to acknowledge with my gratitude. First I would like to express my unforgettable "thanks" to my passing mother. Without her great love as well as life support and encouragement, I would not have started this journey for a personal fulfilment.

Second, let me express my special thanks to three of my Supervisors, Dr. Dag Bennett, Dr. Charles Graham and Dr. Paul Sin, who have helped me realize my study with considerable support, understanding, patience, and unsurpassed guidance, and reacted to my countless queries.

Special thanks to my family members, my son, Man-Hin and daughter, Yo-Yo gave me support and motivation. I apologise for not able to spend sufficient time with them. I also apologise to my wife for numerous of cancellations of social events and vacations.

I know I have been blissful to have the most lovable family and supportive wife, Catherine, a wonderful mentor, an encouraging fan and cheerleader to inspire, support and understand my journey. For that, I will be forever grateful.

Title of Research

The Hong Kong Luxury Residential Market: Behavioural Aspects of Value-Perception Dimensions

Table of Contents

Abstract

Declaration

Acknowledgements

Chapter 1: Introduction……1

1.1 Background of Phenomenon……3
1.1.1 Luxury Home Definition……5
1.1.2 Affluent Consumers in Hong Kong……6
1.1.3 Price Increases of Residential Property……6
1.1.4 Consumer Affordability……8
1.1.5 Consumer Involvement……14
1.2 Aim and Purpose of the Investigation……15
1.3 Significance and Objectives of the Research……17
1.4 Research Problem, Question and Hypotheses Development……20
1.4.1 Research Problems……20
1.4.2 Research Question……20
1.4.3 Hypotheses Development……21
1.5 Structure of the Thesis……22

Chapter 2: Literature Review……23

2.1 The Causation of Consumer Behaviour……23
2.1.1 Model of Consumer Buying……23
2.1.2 Consumption Patterns reflect Consumer Behaviour……25
(i) Status Consumption……26
(ii) Symbolic Consumption……27
(iii) Face Consumption……27
(iv) Luxury Consumption……28
2.1.3 Root of Conspicuous Consumption……29
2.1.4 Consumer Culture……32
2.1.5 The Luxury Residential Market……33
2.1.6 Planned Behaviour and Purchase Intention……34
2.1.7 Family Consumption Role……37
2.2 Theoretical Framework……38
2.3 Functional Effects……41
2.3.1 Brand Value……42
2.3.2 Beauty Value……44
2.3.3 Utility Value……44

2.4 Interpersonal Effects……45
2.4.1 Conspicuous Value……47
2.4.2 Unique Value……48
2.4.3 Social Value……49
2.5 Personal Effects……50
2.5.1 Personal Trait Value……51
2.5.2 Emotional Value……52
2.5.3 Quality Value……53
2.6 Investing Effects……54
2.6.1 Locational Value……57
2.6.2 Compounding Value……60
2.6.3 Eternal Value……61
2.7 Concept Map……63
2.8 Property Investment……65
2.8.1 House Money: Prior Gain……66
2.8.2 Break Even: Prior Loss……67
2.8.3 Snake Bite……67
2.9 Development of a Conceptual Model……68
2.9.1 Conceptual Model……68
2.9.2 Independent Variables……69
2.9.3 Intervene Variables……70
2.9.4 Dependent Variable……70
2.9.5 An Economic Perspectives on the Housing Market……70
2.10 Summary……73

Chapter 3: Research Approach and Design……76

3.1 Methodology……79
3.2 Data Collection……80
3.2.1 Secondary Data……81
3.2.2 Primary Data……82
3.3 Sampling……83
3.3.1 Sampling Frame……84
3.3.2 Sample Size……86
3.4 Demographic Information……88
3.5 Research Instrument……90
3.6 Likert Scale – An Attitudinal Measurement Scale……91
3.7 Descriptive Statistics and the Use of Statistical Test……95
3.8 Ethical Issues and Data Management……99
3.9 The Importance of a Pilot Study……101
3.10 Summary……102

Chapter 4: Data Analysis……104

4.1 Results of Pilot Study……104
4.2 Descriptive Statistics……107
4.3 Summary Statistics of the Research Study……119

4.4 Recitation of Each Effect and Perceived Value……120
4.4.1 Results of Functional Effects……123
4.4.2 Results of Interpersonal Effects……124
4.4.3 Results of Personal Effects……125
4.4.4 Results of Investing Effects……126
4.4.5 Results of Convergence of All Perceived Values……128
4.4.6 Results of Purchase Intention……128
4.5 Conceptual Model……130
4.6 The Research Hypotheses……130
4.7 Statistical Results……131
4.7.1 Statistical Results of Four Independent Variables……134
4.7.2 Statistical Result of the 5th Independent Variable……135
4.8 Hypotheses Testing……136
4.9 Residual Analysis……141
4.10 Summary……143

Chapter 5: Conclusion ……145

5.1 Investing Effects……149
5.2 Functional Effects……151
5.3 Interpersonal Effects……152
5.4 Personal Effects……153
5.5 The Utilities of Other Works……154
5.5.1 Functional Effects of Other Works……160
5.5.2 Interpersonal Effects of Other Works……161
5.5.3 Personal Effects of Other Works……162
5.5.4 Investing Effects of Other Works……163
5.6 Summary……164

Chapter 6: Discussions and Managerial Implications……166

6.1 Consumer Expectations……168
6.2 Present Supply Situations……170
6.3 The Days after Tomorrow……173
6.4 Summary……175

Chapter 7: Limitations ……176

7.1 Uncertainty of Land Tenure System……176
7.2 Neglect of Another Type of Homebuyers……178
7.3 Adverse Stamp Duty ……179
7.4 Joint Home Decision……181
7.5 Summary……181

Reference……182

Appendix

Appendix 1: The Conceptual Model……..……..200
Appendix 2: The Independent Variables……..……200
Appendix 3: The Constructs and the Relevance……..……..…201
Appendix 4: The Constructs and Sources of Survey Instrument……..……..……..202
Appendix 5a: Part of Survey Questionnaire (Demographic Information)……...…….203
Appendix 5b: The Sources of Survey Instrumentation……..……..……..203
Appendix 6a: Multiple Regression Results – Pilot Study……..……..……..206
Appendix 6b: Simple Regression Result – Pilot Study……..……..……..206
Appendix 7: Simple Regression Result of Functional Effects…….……..……207
Appendix 8: Simple Regression Result of Interpersonal Effects……..…….208
Appendix 9: Simple Regression Result of Personal Effects……...……..…….209
Appendix 10: Simple Regression Result of Investing Effects……..……..……..210
Appendix 11: Multiple Regression Results – Fieldwork & Residual Plots and Output……..…...211
Appendix 12: Simple Regression Result – Fieldwork& Residual Plot & Output..……..…..219
Appendix 13: Invitation Letter……..……..……..226
Appendix 14: Participant Information Sheet……...……..……227
Appendix 15a: Informed Consent Form (Participant Copy)……...……..…229
Appendix 15b: Informed Consent Form (Researcher Copy)……..……..…….231
Appendix 16: Survey Questionnaire……..……..…….233
Appendix 17: The Time Consumption for Pilot Study, Data Collection and Analysis and Thesis Write-up……...……...…237
Appendix 18: Approval of Research Proposal……...……..……..238
Appendix 19: Ethical Approval Letter ……....……239

List of Tables

1. Changes in Residential Property Price Increases in the last Nine Year……..…...……7
2. The Rank Least Affordable Cities……..……. 9
3. Hong Kong Mortgage Loan Amount from the Years of 2012 to 2017……..….12
4. Hong Kong Saving Statistics from the Years of 2010 to 2017……...13
5. The Role of Family Members……..……..…….38
6. Summary of List of Elements of Four Conceptual Model……...……...……..74
7. All Relevance of Research Design and Approach…….……103
8. The Contrast between Majority and Minority of 3 Groups in the Survey……..…….108
9. The Demographic Profile…...……..……109
10. The Contrast between the Majority and Minority People in the Survey……..……118
11. 39 Questions with focuses on various constructs……..……..121
12. The Influential Power, Median, Mean and Mode of each variable…….….122
13. Significant Ranking Positions of all Perceived Values……...……..129
14. Key Values of Individual Effect Sizes……..……..……132
15. Coefficients of Four Independent Variables……...……..……..137
16. Summary of Research Model – Four Independent Variables……..…….139
17. ANOVA – Analysis of Variance – Four Independent Variable……...……139

18. Coefficient of the 5th Independent Variable……..……..…….140
19. Summary of Research Model – 5th Independent Variable ……..……...……..140
20. ANOVA – Analysis of Variance – The 5th Independent Variable…….....……..140
21. Private Domestic Property Values– Average Prices by Class……...……..…….147
22. The work of other relevant researchers in other countries…….……..…….155
23. Different Results of Functional Effects between other work and this study…….160
24. Five Comprehensive Marketing Communications Techniques……..……..……169

List of Figures

1. Customer Deposits from the Years of 2010 to 2017……...…...……11
2. The Flow of Decision Making Process……...…...…….24
3. Theory of Planned Behaviour……...……..……...……37
4. The Flow of Functional Effects……..……...……41
5. The Flow of Interpersonal Effects……..……...……45
6. The Flow of Personal Effects……...……50
7. The Flow of Investing Effects…….……..……54
8. The Price Changes in different years……..…...…….56
9. The Concept Map……..……..……..64
10. The Conceptual Model…….. 68
11. The Different Effects of the Demand Curve ……..……..…….71

List of Graphs

1. The dynamic prices between two Asian places – Hong Kong and Singapore……...….7
2. House price-to-income ratio between Hong Kong and Singapore……...……..8
3. The Household Income Range…….…110
4. The Educational Level of Respondents……..……...….111
5. The Occupation Positions of Respondents……..……...……112
6. The Respondents' Occupations in Different Industries……..……..…….113
7. The Living Districts of Respondents……..…...…….114
8. The Marital Status of Respondents……...…….115
9. The Ownership Status of Respondents……...……..……116
10. The Numbers of Children of Respondents…….....……...117

Output Summary

1. The Multiple Linear Regression Results of the Field Study……...……134
2. The Simple Regression Result of the Field Study.....135

Chapter 1: Introduction

The Hong Kong residential property market is a good illustration of the relationship between supply and demand. The decision about what is going to be developed, how and for whom in the economy is through a system known as the price value, which is a decentralised system where the purchase decisions are eventually made by individuals (Squirrell, 1997, p. 6). Hong Kong is a small place in the world, with a population of about 7.3895 million (Census and Statistic Department, 2017) and a total land area of 1,042 square kilometre. 40% of the lands are communal parks and the rest of residual area is mountainous, and thus approximately 80% of Hong Kong people live on 8% of the land. The average living area is only 334 square feet and has 3.2 people per household (Luxury Rental, 2008). Such population density creates pressures to redevelop older areas to make way for denser residential construction (Glaeser and Gyourko, 2005).

According to Tse and Love (2000), modern urban theory is a distinct area of microeconomics that widens the typical economic theories of market thought to embrace space consumption and location preference. Kauko (2003) proved a smooth linear relationship between price and location. Chau *et al*. (2003) indicate that the land costs in Hong Kong are very high and so properties are expensive. With limited developable areas but huge demand for properties, most established property developers exploit the large gap between the market prices of different types of properties, and concentrate their efforts on the premium niche in the residential market.

Baudrillard (1998, p. 53) elucidates the luxury levy as a combination of the wealth of a society and its social structure which is the privilege of a small minority of people. "Luxury" is a subjective, attractive and fashionable concept that has been re-interpreted over time to be more complex – masstige, opuluxe, premium, ultra-premium, trading up, hyper luxury, real or true luxury and so on (Kapferer and Bastien, 2008). For instance, people like owning luxury cars, wearing splash jewellery

and famous brand watches, and carrying deluxe handbags to display their wealth. Eastman and Eastman (2011) report that luxury goods buying is done to support or improve the status of the buyer. Consumers of luxury products may come from any social and income classes, but the motivation for buying is to raise status.

Salzman and Zwinkels (2013) say that capital is critical, especially in application to expensive high end luxury properties that only the most affluent people and families can afford. Luxury real-estate thus has the potential for great status differentiation and social discrimination.

Luxury residential properties can affect consumer behaviour and motivate buyers to express their needs, wants, personality and lifestyles. Simultaneously homebuyers will probably change their buying patterns and branding preference if the developers aptly interpret their communication plan at the right time.

Residential property is a heterogeneous commodity (Tse and Love, 2000; Chau *et al.*, 2003) with value derived from a number of characteristics such as size, age, location, design, views, accessibility, and the provision of social facilities (Chau and Wong, 2004). The value of investment in property can be a general rule upon the prosperity of the community. The attractions of the locality, either trading or industrial purposes create the demand which determines the value (Faure and Lee, 2004, p. 92). Property is a favourite traditional investment area for the Chinese and can be seen as a long-term investment tool to counter inflation and currency depreciation.

Tse (2003) cites Say's law about the "supply creates its own demand" to explain that the demand reflects the need of the market but depends on the power and development of the economy. Such demand will not be created unless the buyers have spending power. Besides, Beardshaw (1992, p. 113) explains that inflation can be described as "too much money chasing too few goods".

A lower interest rate can nudge people to consider owning property rather than becoming a tenant. It is quite a different story for the market situation today, despite the fact that local mortgage rates have adhered to extraordinarily low levels near the historical trough in 2003.

The reasons for the popularity of luxury items are often studied by marketers whose underlying goal is to further motivate consumption (Globalization 101). The value-perception of luxury residential properties is tied to four major effects: functional, interpersonal, personal and investing dimensions which can be commonly ascribed as useful constructs for reference and measurement.

1.1 Background of Phenomenon

For the majority of Hong Kong citizens, owning a property or a home in which to live is a first priority, best choice and life investment. Roulac (2006, p. 428) mentions that "*a property's value is determined by its use, specifically what people will pay for the right to the use of the property*".

As seen in local newspapers, a nascent phenomenon is a new trend which developers focus on shoe-box apartments of less than 300 square foot, including some of 150 square foot. The supply of micro-properties encourages sales of small properties, and creates an easy-to-digest transaction from the mass residential market, and an instant demand of this category from the majority of first-time homebuyers, who cannot afford high prices for larger units.

Ejinsight (2015) reports that Hong Kong continues to adhere to the title of the world's most unaffordable property market in the past five year, according to the latest survey released by urban planning consultancy - Demographia. This reveals that most Hong Kong residential properties are more expensive than in other cities in the world. However, as the society becomes more affluent, people pursue better quality of living. Hong Kong is a world financial hub where the Government has adopted a high-land-cost policy to sustain the economy. However, the shortage of land is an obvious

problem for increasing the housing supply. It reinforces the high pecuniary value of properties. These together create many lucrative opportunities for property developers.

The Standard (2014) reported as a headline news on 2nd July, 2014 that a Mid-Level East property, Opus Hong Kong, offered a flat for HK$430 Million at HK$79,407 (equivalent to US$10,290) per square foot. Looking back to the year of 2012, another flat in the same building was sold for HK$455 million at HK$86,200 (US$11,200) per square foot. It broke the Asian most expensive flat record in the year of 2014.

Another huge transaction was reported on 9th November, 2016, by two local newspapers, the Apple Daily News (2016) and the Sing Tao Daily News (2016) for a property developed by Wheelock Properties and located in The Peak. The price was just under 1 Billion Hong Kong dollar. Price per square foot was HK$104,803.00 (US$13,522.96), a new record price for 2016 (Wheelock Properties, 2016). But according to The Wall Street Journal (2014), another residential property, was worth of HK$819.1 million (equivalent to the US$105.7 million) per unit at the US$22,764 per square foot, which would make it the most expensive unit in the world.

These three examples beg the question of WHY people will pay such huge amounts for a flat. What are the implications of such consumption behaviour? Clearly luxurious residential properties are seen as a way to show off, a proof of achievement and self-actualisation for some of consumers.

These market values also transmit a message to developers and homebuyers, reflecting the scarcity of supply in the Hong Kong residential market. However, market values are not fully equivalent to what homebuyers want and act in their own interests, and may not be fully compatible with consumer preferences and choices.

Hong Kong developers concentrate on the key selling points of "Extraordinary Location, Distinctive Architecture, Exclusive Lifestyle and Nurturing Environment". The obvious fact is that the shortage of supply is reflected in high luxury apartment prices, which also seems to be a luxury factor that confers status. What will be the other values that motivate purchase of this type of commodity? How important is personalization? Are high property prices consonant with intrinsic perceived values of the homebuyers? What else should be included and who else should be involved? Does the value change if the homebuyers treat it as a house, home or property?

1.1.1 Luxury Home Definition

Kapferer and Bastien (2009, p. 314) define "*luxury, as a badge for one and others, is the symbolic desire to belong to a superior class, which everyone will have chosen according to their dreams, because anything that can be a social signifier can become a luxury*". Beardshaw (1992, p. 116) explains that for some expensive items, e.g. luxury properties, the price is part of attraction of the article and a rise in the price may render it more attractive, an effect often referred to as "snob value".

Luxury can be signified as a tonic for our humdrum world (Berthon *et al*., 2009). Wiedmann *et al*. (2007) define that luxury is the highest grade of prestigious brands, which embrace several physical and psychological values, and Danziger (2007) indicates that buyers have a higher request of better quality, finer details and superior workmanship and materials, and buy and continue to adore luxury because they can afford to and appreciate the enhanced experience of luxury, status or social benefit.

Precision Marketing (2006) comments that the best descriptions of luxury are apparent, with many consumers, especially the more affluent type, giving "time to relax" and "time on my own". In addition, Kalkreuth (2008, p. 20) in her spring issue of "Luxury Properties" praises that luxury is an object conducive to sumptuous living, usually a delicacy, elegance, refinement of living.

A luxury home is generally classified as a property priced at the top 5 - 10% of a given real estate market. Luxury Portfolio (2008) portrays that any home value of more than ten million dollars or a home that may have a unique quality or a distinct feature that makes it stand out in the luxury home. Luxury goods are expensive in relative and absolute terms (Dubois and Duquesne, 1994). Many developers believe their buyers come primarily from upper income classes of wealthy people. Their assumption is that the buyers' income and status are the best "Hedonic" perspective which creates an indicator of "demand". The higher the earning power of an individual, the higher the tendency to purchase or rent luxury properties.

1.1.2 Affluent Consumers in Hong Kong

According to Business Wire (2017), there are approximately 184,700 High Net Worth Individuals (HNWIs), equivalent to 2.53 % in Hong Kong with an average wealth (i.e. assets or economic surplus) worth of the US$4.60 Million in 2015. This group is mainly Middle Class, based on their socioeconomic status such as their professional occupations, superior education and income levels.

The HNWIs play an important role in purchasing, investing, speculating and holding luxury residential property. In addition, family wealth can be one of the financial sources, transferred from through inheritance, or can be compounded via certain types of investments (i.e. fixed deposits, bonds, funds, properties, company shares and etcetera). Whether the purchase of properties is an investment or not, it will be a traditional wisdom that the home buyers act and prepare for the next generations or sustain their wealth by participating in this sort of transactions.

1.1.3 Price Increases of Residential Property

As provided by Global Property Guide (2016), the following table # 1 shows a longitudinal review of Hong Kong property price increases in last eight years. Besides the financial crunch in the year of

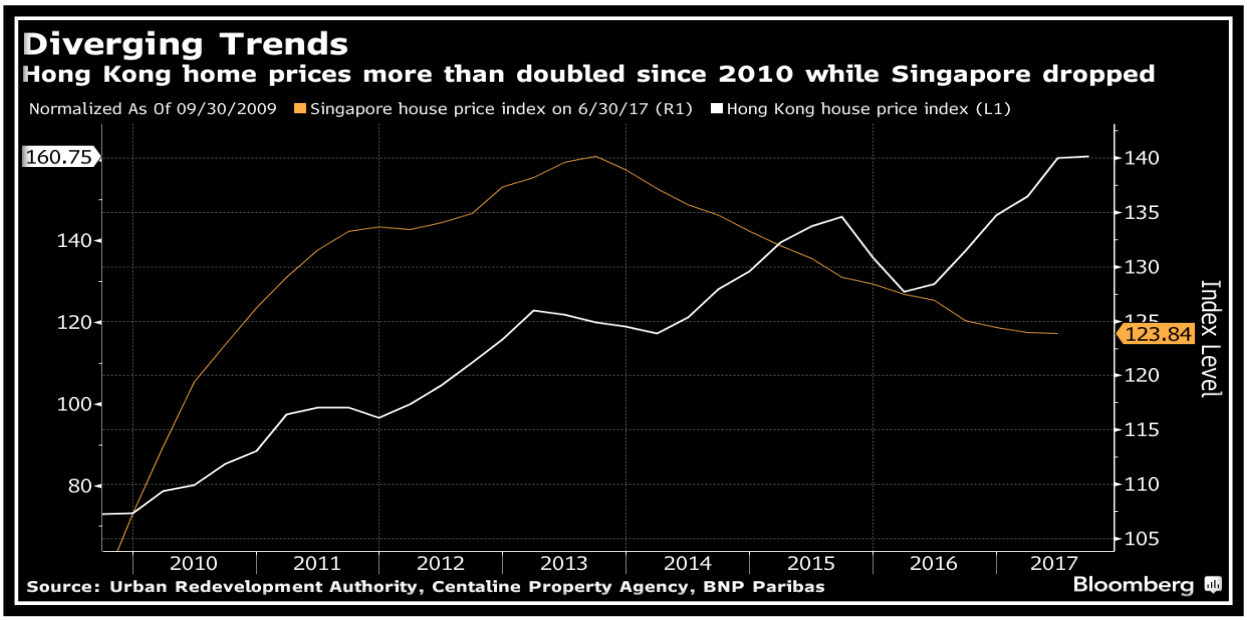
2008, the price growths of residential property value have been well and buoyant in the last decade. Apple Daily News (2017) also reported an impressive 13% price increase in 2017. This can be proved that a crying need for a residential purpose in this dense city is a long-term demand, and the purchase of property can be one of the financial tools to confront with inflation. It can also be a positive reward to all homebuyers and investors to accumulate their wealth that drives the realisation of long-term financial portfolio.

Table 1, Changes in Residential Property Prices Year-To-Year (Inflation Adjusted) %

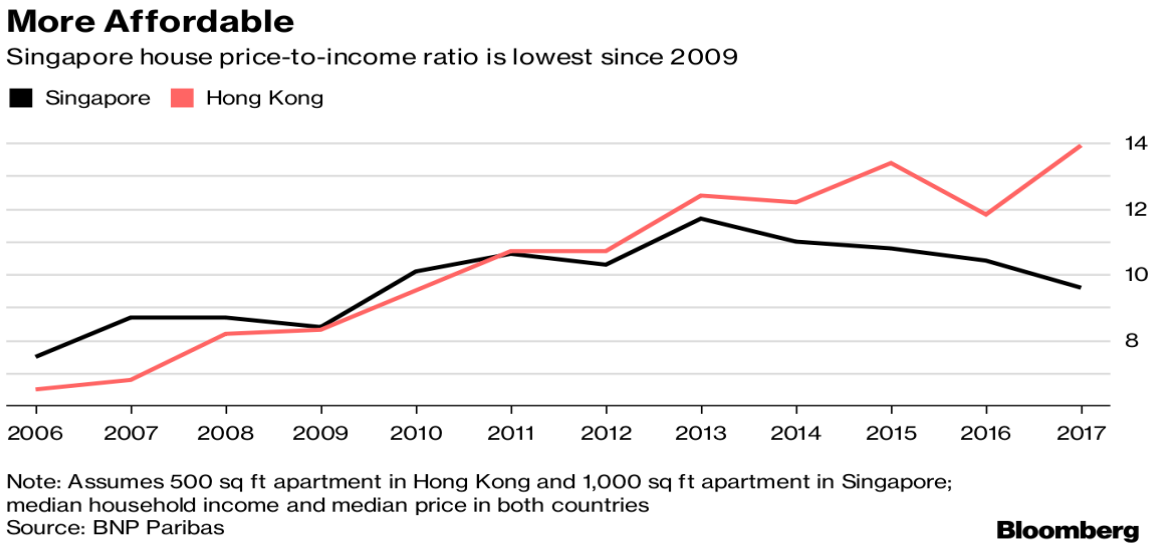
2009	2010	2011	2012	2013	2014	2015	2016	2017
26.5 %	17.7 %	11.1 %	21.2 %	3.3 %	8.2 %	0.1 %	6.6 %	13.0 %

Source: Adapted from Global Property Guide (2017) and Apple Daily News (2017)

Report by CNN (2016) and Business Insider (2016), Hong Kong is the world's second most expensive living city for foreigners. Another study reported by CNN (Mercer Consulting, 2016) revealed that Hong Kong was ranked as the most expensive city for expatriates in 2016. The reasons can be explained as the cost of living such as expensive accommodation, a higher price of imported goods and clothing as well as dining are much higher than other cities in the world.



Graph # 1 showing the dynamic prices between two Asian places – Hong Kong and Singapore



Graph # 2 showing house price-to-income ratio between Hong Kong and Singapore

According to Bloomberg (2017), BNP Paribas measured the role of two major similar Asian places, Singapore and Hong Kong and distinguished the difference between the two. The results reflected in graphs # 1 and 2 with an extreme difference – Hong Kong home prices more than doubled in the past seven years, but in Singapore home prices dropped by 12 percent from their peak in 2013.

1.1.4 Consumer Affordability

The demand for current real estate is based on demographic factors (new family formations, birth rate, deaths and immigration), vacancies, removals, government regimes and new supplies. However, this typical thought will only be applicable for normal residential units in the Hong Kong property market. On the other hand, the buying power of homebuyers is the key essential for luxury properties.

Demand and supply is imbalanced in the Hong Kong luxury property market. Beardshaw (1992, p. 147) illustrates that the elasticity of supply increases with time as producers have longer to adjust to changes in demand. In contrast luxury property supply decreases with time as developers have shorter time to adjust to changes in demand.

Ownership is the most common and typical form of housing in Hong Kong, yet for many low class people it is generally unaffordable. Demographia (2016) reports that the Hong Kong market is the least affordable residential property market, as compared with 346 cities in the world, and in the year of 2017, another survey says that Hong Kong is the least affordable city, as compared with other 405 cities (Demographia, 2017). Table # 2 illustrates the ranking least affordable cities. The measure was based on an average income of the majority of people and expensive selling prices. The survey also depicts that Hong Kong is the most expensive place reflecting vastly overpriced housing.

The mismatch between the supply and demand can even be made worse in recent years by the government's regime. The property value of the Hong Kong housing market reaches to the peak level, as the developers have a better sense of where homebuyers will put their money in the residential property market, and are well aware of how they can invest and market their projects on the ground in Hong Kong, and even offer the financial package to interested parties.

Table 2, The Least Affordable Cities in the World

Rank Least Affordable	Affordability Rank	Countries	Cities
1	406	China	Hong Kong
2	405	Australia	Sydney, NSW
3	404	Canada	Vancouver, BC
4	403	United States	Santa Cruz, CA
5	402	United States	Santa Barbara, CA
6	401	New Zealand	Auckland
7	400	Australia	Wingcaribbee, NSW
8	399	Australia	Tweed Heads, NSW
9	398	United States	San Jose, CA
10	397	Australia	Melbourne, VIC

Source: Adapted from Demographia (2017)

Most people in Hong Kong can afford apartments only by using mortgages of up to 60% of the purchasing price. However, the mortgage can be a major burden for 20 – 30 years and represent about half of their household income. Breadshaw (1992, p. 116) further mentions that effective demand is the desire to buy a good backed by the purchasing power of the buyer. It is salient that there must be a relationship between the demand for property and the homebuyer's purchase power, which is based on income and of wealth.

According to the South China Morning Post (2014), the Government of the Hong Kong Special Region defined luxury homes as those priced at HK$30 million (equivalent to the US$3.846 million) or above. This study will examine what perceived values motivate customers to make a purchase of property at a starting point of HK$30 million with a tolerance of +-10%.

The buying power of HNWI consumers is obvious and substantial. Since they have a strong social network, or established family members, their wealth and financial background make them as qualified consumers.

Sales of luxury property brings in enormous revenue to developers and their shareholders. As per Global Data (2016), two major factors affect their customers:

- Real Estate investment is the largest asset class for HNWIs in Hong Kong, which is equivalent to 34.1 % of total HNWI assets.
- Real estate and alternatives were the most reliable asset choices from 2007 - 2014, stimulated by booming property market, continuous rise in demand, and an influx of investors from the mainland.

Figures # 1 and tables # 3 and #4 also show that Hong Kong is a high saving society where the total savings in local banks are estimated at 12,379 Billion Hong Kong Dollars (Hong Kong Monetary

Authority, 2017). A local newspaper, The Standard (2016, p. 1) quotes, "*With the dismal returns from the bank deposits, and the volatility in stocks, the whole world is desperately looking for better yields*". It can be assumed that most affluent people are reluctant to keep their money in banks and property investment is a traditional choice. Therefore, it can be a broadly top-down effect on the economy as a whole, and it is worth studying what affects the behaviour of this group of homebuyers.

Affordability is simultaneously based on the lower interest rate and individuals' wealth. Uncertainty of economic climate and financial crunch sometimes emerge a rare opportunity to genuine home-users and home-changers, and help them reduce the amount of repayment to the banks.

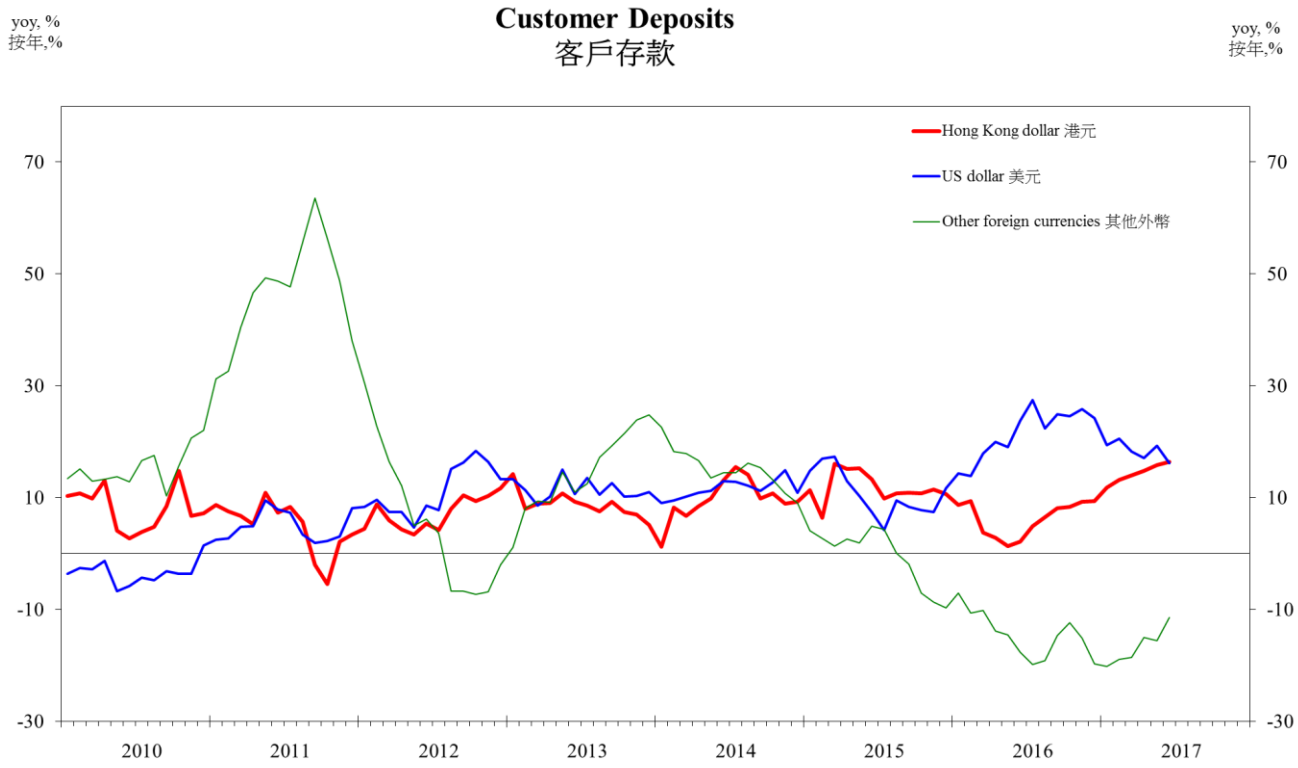


Figure # 1 reveals the customer deposits from 2010 to 2017
Source: Adapted from Hong Kong Monetary Authority (2017)

As of June, 2017, table # 3 shows that the outstanding mortgage loan amount of the whole society is only 116.08 Billion Hong Kong Dollars (Hong Kong Monetary Authority, 2017) which is less than

9.38% of the total saving amount of 1,237.923 Billion Hong Kong Dollars in the local bank deposit. According to the data in tables # 3 and 4, asset accumulation proves such a saving society and all recorded assets are just the tip of the iceberg – a proxy for the rising attraction of Hong Kong's top end real-estate. It also means that most HNWI homebuyers will not rely on bank loans when they decide to own properties. Furthermore, traditional wisdom holds that pursuit of properties to extend wealth links to satisfaction and achievement.

(HK$ million, unless otherwise specified)
(百萬港元, 另有說明者除外)

		Loans and advances of all AIs 所有認可機構的貸款及墊款				Asset quality of AIs 所有認可機構的資產質素		
As at end of 期末數字		Loans for use in Hong Kong[3] 在香港使用的貸款及墊款[3]	Loans for use outside Hong Kong[4] 在香港境外使用的貸款及墊款[4]	Total 貸款及墊款總額	Of which: residential mortgage lending[5] 其中: 住宅按揭貸款[5]	Classified loans (gross)[6] 特定分類貸款(總額)[6]	Delinquency ratio of residential mortgage lending[7] 住宅按揭貸款拖欠比率[7]	Charge-off ratio of credit card receivables[8] 信用卡應收帳款撇帳率[8]
2012		3,979,567	1,587,242	5,566,810	868,286	0.48	0.02	1.70
2013		4,529,018	1,927,795	6,456,813	904,579	0.48	0.02	1.84
2014		5,057,815	2,218,456	7,276,271	984,539	0.46	0.03	1.83
2015		5,253,699	2,280,841	7,534,540	1,073,632	0.69	0.03	1.82
2016		5,639,278	2,384,112	8,023,390	1,118,657	0.72	0.03	1.92
2016	May	5,364,109	2,262,642	7,626,751	1,080,989	N.A.	0.04	N.A.
	Jun	5,419,565	2,279,940	7,699,505	1,084,458	0.80	0.04	2.17
	Jul	5,429,236	2,266,623	7,695,859	1,086,389	N.A.	0.04	N.A.
	Aug	5,444,295	2,289,600	7,733,894	1,088,613	N.A.	0.04	N.A.
	Sep	5,501,749	2,322,322	7,824,071	1,095,260	0.81	0.04	2.14
	Oct	5,531,825	2,285,332	7,817,157	1,101,216	N.A.	0.04	N.A.
	Nov	5,617,129	2,280,414	7,897,543	1,108,933	N.A.	0.03	N.A.
	Dec	5,639,278	2,384,112	8,023,390	1,118,657	0.72	0.03	1.89
2017	Jan	5,724,902	2,451,232	8,176,135	1,126,180	N.A.	0.03	N.A.
	Feb	5,755,470	2,496,987	8,252,458	1,130,853	N.A.	0.04	N.A.
	Mar	5,864,651	2,528,250	8,392,901	1,137,140	0.70	0.04	1.88
	Apr	5,928,649	2,587,840	8,516,489	1,142,241	N.A.	0.03	N.A.
	May	6,009,751	2,668,117	8,677,867	1,150,605	N.A.	0.03	N.A.
	Jun	6,166,876	2,677,381	8,844,257	1,160,892	N.A.	0.03	N.A.

Table # 3 reveals the Mortgage Loan Amount from 2012 to 2017
Source: Adapted from Hong Kong Monetary Authority (2017)

(HK$ million, unless otherwise specified)
(百萬港元, 另有說明者除外)

As at end of 期末數字		Number of authorized institutions (AIs) 認可機構的數目	Assets and liabilities of all AIs 所有認可機構的資產及負債			Customer deposits of all AIs 所有認可機構的客戶存款		
			Total assets (liabilities) 資產(負債)總額	Total external claims[9] 對外債權總額[9]	Total external liabilities[9] 對外負債總額[9]	Hong Kong dollar[1] 港元[1]	Foreign currencies[2] 外幣[2]	Total 總計
2010		193	12,290,783	6,451,081	4,702,049	3,617,183	3,245,081	6,862,265
2011		198	13,741,888	7,139,999	5,342,924	3,740,240	3,851,020	7,591,260
2012		200	14,858,737	7,630,916	5,615,363	4,176,200	4,120,234	8,296,434
2013		201	16,941,434	8,783,808	6,499,294	4,390,953	4,789,109	9,180,062
2014		203	18,441,520	9,466,968	7,195,092	4,800,330	5,272,804	10,073,135
2015		199	19,181,121	9,725,629	7,785,772	5,312,403	5,437,346	10,749,749
2016		195	20,652,323	10,479,177	8,300,050	5,809,060	5,918,240	11,727,300
2016	May	198	19,040,979	9,421,905	7,638,116	5,400,926	5,544,540	10,945,466
	Jun	198	19,823,465	9,884,161	8,115,954	5,450,475	5,597,236	11,047,711
	Jul	197	19,396,864	9,717,877	7,902,571	5,557,274	5,691,525	11,248,799
	Aug	198	19,550,476	9,846,231	7,907,786	5,664,558	5,697,766	11,362,324
	Sep	197	20,105,676	10,298,514	8,254,818	5,733,148	5,894,377	11,627,525
	Oct	196	19,878,233	10,162,405	8,034,891	5,782,244	5,917,287	11,699,532
	Nov	195	20,328,352	10,382,430	8,213,577	5,808,146	5,958,794	11,766,940
	Dec	195	20,652,323	10,479,177	8,300,050	5,809,060	5,918,240	11,727,300
2017	Jan	195	20,478,510	10,390,751	8,269,372	5,924,626	5,963,998	11,888,624
	Feb	195	20,885,669	10,592,083	8,377,846	5,982,795	5,989,056	11,971,851
	Mar	194	21,058,866	10,748,180	8,518,713	6,104,834	5,979,283	12,084,117
	Apr	194	21,170,366	10,716,539	8,498,191	6,178,464	6,021,121	12,199,585
	May	193	21,459,515	10,960,467	8,752,669	6,257,088	6,007,287	12,264,375
	Jun	193	21,803,730	N.A.	N.A.	6,346,347	6,032,883	12,379,230

Table # 4 reveals the record of Hong Kong Saving Statistics from the year of 2010 to May 2017
Source: Adapted from Hong Kong Monetary Authority (2017)

Land Registry (2016) provided the statistics and recorded the total number of sale and purchase agreements for registration in 2015 was 76,159 (-6.5% compared with 2014 but +8% compared with 2013). The consideration of these transactions was $548.65 billion (+0.2 % compared with the 2014 and +20.20% compared with 2013). As for 2016, the number of sales and registrations was 73,004 (-4.1% compared with 2015 and -10.4% compared with 2014). The value was $493.51 billion (-18.2 per cent compared with 2015 but +1.3 per cent compared with 2014). In the first two quarters of 2017 the figures were 42,862 transactions for $373.16 billion (Land Registry, 2017).

1.1.5 Consumer Involvement

The consumer involvement concept is connected to various marketing constructs and consumer behaviour and can be used to classify the type of homebuyers and residential properties. Apart from its academic value, this study uses involvement to generate implications for marketing strategists and practitioners. Thus involvement can be used to divide the homebuyers into different groups which can then be approached via various promotional strategies.

Consumer Involvement can also be a boon to remind the product creator to focus on consumer primacy in the product development process, and infuse with new ideas when developing new products to the market. It can be explained as one of the new processes which helps marketers to collect the "protocol" information from potential consumers and minimize the uncertainties for all future product developments. Lundkvist and Yakhlef (2004) identify that consumers can play five different roles as "resources", "co-producers", "buyers", "users" and "products", and can help the company to infuse with innovations and possessions of new product knowledge and trends.

In the residential market, luxury properties are a durable and expensive commodity which the homebuyers and their families will think of various issues and purposes, and involve in product search, alternative comparison and a thoughtful participation. Levy *et al*. (2008) illustrate that a purchase of a property is based on a set of economic and financial factors, the sales transaction is an inherently social activity, including considerable discretion between family members and an interplay with property intermediaries. The reason why they need to take a huge responsibility and burden a significant proportion of their income or wealth (Walley *et al.*, 2013) because of a purchase decision. Whether all matters can be personal or social or cultural or economic level or a combination of all, involvement in every part of level can help consumers to buy the right things and to prevent any potential risks and minimize the uncertainties.

1.2 Aim and Purpose of the Investigation

Luxury residential properties in Hong Kong are a lucrative business, and linked with other industries in economic symbiosis. Researchers, Policy-Makers, Homebuyers, Speculators, Banks, Property Agents and Developers are keen to studying buying trends, valuation, transaction records, volatility and the dynamic process of property prices (Hui and Zheng, 2012). However, these measures neglect the intrinsic values that homebuyers pursue and adore.

This study aims at evaluating the perceived values that prospective homebuyers consider when buying luxury residential properties. The importance of property market analysis and significance of behaviour of market participants are now being recognized by the industry (Ratchatakulpat *et al*., 2009). Broader knowledge of the essentials of homebuyer behaviour, would lead to a new picture and anticipation of decision making determinants in the industry (Daly *et al*., 2003).

Daly *et al*. (2003) suggested to explore the attributes that influence the value of residential property from the buyers' perspective; examine the influencing factors on the value of residential property from the buyers' viewpoint; and investigate whether a purchase will be determined by buyers' behaviour accurately.

In elaborating the existing literature, this paper aims to develop a conceptual contribution to capture all relevant significant impacts that influence behavioural expectations and consumer purchase intentions for a particular commodity of residential properties. Especially, it enhances prior research by reinforcing fresh and new practical insights that can be applied in homebuyer context.

In general, the homebuyer value perceptions are strictly tied to four boundaries which are 1) Functional dimension addresses to brand, beauty and utility of the properties 2) Personal dimension points to the personal orientation to luxury, hedonistic and self-identity value; 3) Social dimension

explains how the type of properties will be perceived by the social group; 4) Financial dimension addresses to direct monetary and pecuniary aspects, and family harmony such as investing purposes.

This research will also be spilt into two parts: the macro-oriented and micro-oriented situations in which the content is applicable. Macro-oriented analysis is to evaluate the market's evolving values, beliefs and practice in the industry as well as the Political, Economic, Social and Technological issues that affect homebuyers' decisions. Micro-oriented context is to demystify all individual behaviours and their perceived values such as Individual, Social, Cultural and Economic areas on their preferences and choices in this category of products.

The domain of this study is to evaluate, examine, investigate and measure what effects and perceived values ultimately influence consumer behaviour of a cluster group of buyers, why homebuyers pursue the luxury properties in Hong Kong, and how these values can be ascribed to decisive factors for the creation of purchase intentions.

The purpose of this study is to provide Hong Kong property developers insights on their target customers such as High-Net-Worth Individuals (HNWIs) (Knight Frank, 2013, p. 5).The knowledge of "effects" and "perceived values" will help them better understand customer needs, and whether the independent variables are correlated to purchase intentions. The findings of this study represent valuable knowledge and new perspectives to the developers. The results also help marketing strategists understand the drivers of customer buying intention and value proposition of the properties, and eventually help them formulate all necessary elements for future developments and subsequent marketing campaigns. In addition, the scope of the study focuses on luxury residential property and the value-perception of consumers that helps the home-seekers have a better reference for a purchase,

and led the property investors to evaluate the potential return of their investments (Knight Frank, 2013).

1.3 Significance and Objectives of Research

The dynamic of Luxury Residential Property prices is not a point of investigation, but the buying power of this group of HNWI consumers is not insignificant. Sales of luxury property brings in enormous revenue to the developers and their shareholders. Although price consideration is a decisive factor to decide the value of each property, this study only focuses on the behavioural constructs. Analysis of consumer behaviour for luxury property is a broad but complex context, evaluating a subset of human characteristics, and affecting individuals in their lives when psychological, social, cultural and economic changes come into effect. Loudon and Bitta (1993, p. 8) indicate that five key areas critical to the analysing these consumers are:

- Psychology: to review behavioural aspects, value perception and mental decision making process of individuals.
- Sociology: to refer to the type of the collective behaviour of people in groups
- Social Psychology: to examine of how individuals affect others and are influenced by others or groups.
- Economics: to realize how developers produce, launch, exchange and people consume goods and services at agreed exchanged prices that benefit to both parties.
- Anthropology: to understand people in relation to their culture, and preference of possessions of residential property, as well as core values, beliefs and choices.

This theoretical framework is used to the key drivers for buying luxurious properties among conspicuous consumers. The purpose is to explore the factors that would affect the luxury homebuyers' preference and choices, and seek to confirm the relationships between four measurable effects (Functional, Interpersonal, Personal and Investing Effects) and twelve perceived values (Brand, Beauty, Utility, Conspicuousness, Unique, Social, Personal Trait, Emotion, Quality, Location, Compounding and Eternal Values) as well as the purchase intention of luxurious apartments. How do the homebuyers or prospective buyers consider it or buy it, own it or hold it?

The research will help developers reinforce and update their knowledge of consumer behaviour and expectations and thereby enhance property features, and improve their marketing strategies. The developers will need to understand how to improve the effectiveness of marketing campaign, besides pricing strategy, for a particular group of homebuyers. The developers can also gain a broader insight on the potential property investors.

- Explore various consumption patterns (luxury consumption, conspicuous consumption, status consumption and face consumption) that correlate to the context in the luxury goods and hypothetically turn them into purchase intentions for luxury residential properties.

- Examine all key motivational components or drivers that behavioural factors impact on the attractiveness of luxury residential properties from the home-buyers viewpoints.

- Evaluate twelve perceived values within four effects that influence the demand of luxury residential from home-buyers perspective.

- Investigate the prescribed independent variables to validate whether they apply for buyer behaviour accurately.

- Conclude the outcome by referring to the significance of data from quantitative methods or any statistical corollary or inference.

- Push forward the understanding of consumer behaviour and expectations, and develop a new framework of behavioural aspects in this category of expensive product.

- Contribute a new knowledge of behavioural study in this particular product to all interested parties or involved participants, and make an influence on consumer thoughts.

Motivations are influenced by a variety of physical, social-demographic, and cultural factors (Yu, 2014). This study starts by explaining "consumption" as a portrayal of consumer behaviour in a real estate context. This study elicits several marketing implications from the results, which are 1) the findings are based on a unique set of primary data and demonstrate the value of segmenting the consumer market for Hong Kong luxury property along psychological lines and, 2) the study draws out the relevant social norms of Hong Kong's conspicuous consumers and thus helps developers to identify relevant positioning strategies to capitalize on the exceptional demands of this group and 3) finally well understand what are the positive effects to meet customer expectations.

The study is a theoretical and practical integration, which borrows all relevant theories and background information, and combines them as a loop for a practical examination. The contribution will then be a part of new knowledge of a boundary of Conspicuous Consumer Behaviour, which can be an understanding in the application of how a type of people behave, and a reflection of new understanding of consumer behaviour with relevance to sociology, psychology and consumer culture. The result will not only be a truth to involved and concerned parties, but also a valuable reference to academia or scholars who are interested in such particular field.

1.4 Research Problems, Question and Hypotheses Development

Wealth-X and Sotheby's International Realty (2015, p. 8) classifies luxury residential property as worth more than 1 million US dollars (equivalent to HK$7,750,000). However, in Hong Kong this will only buy a shoebox apartment (Savills, 2015). Therefore, this study will only deal with properties worth of the US$3.87 million (equivalent to HK$30,000,000) with +- 10 % tolerance. The paper will illustrate the factors that need to be considered when evaluating buying property of this type, and a number of key drivers need to be explored and discussed.

Brief and Bazerman (2003), as cited by Koklic and Vida (2009, p.76), portray their idea on a creation of value for buyers as, "*adding value to society is one of the most obvious ways business organizations make the world a better place*". Therefore, consumer-focused approach can help balance the studies of how to influence and lure consumers to make decisions for this category of products.

1.4.1 Research Problems

A) What perceived values are of greatest importance to luxury property?
B) How are value-perception dimensions on Consumers' propensities and buying intentions about this sort of properties?
C) What perceived values, motivations and beliefs regarding luxury residential properties are held by HNWI individuals?
D) What are relative attitudes versus norms to behavioural aspects to purchase luxury residential properties in the context of Hong Kong market?

1.4.2 Research Question

This thesis deals with buyers' preferences and choices in the Luxury Residential Property market by exploring factors that impact intentions to consider a purchase of this sort of properties, and evaluate all relevance from the participants.

To what extent do Functional, Interpersonal, Personal and Investing Effects influence property buyers to purchase luxury residential properties in Hong Kong?

1.4.3 Hypotheses Development

A number of scholars and economists have taken on the challenge of developing theoretical models of personal and interpersonal effects in lavish consumption, others have concentrated their time in exploring functional and investing effects. Obviously, different effects will be relevant to different behaviours of Individuals, who pursue perceived values in the process of purchase for luxury residential properties. The researcher, who works on this project and is interested in shifts in the domain from consumption to conspicuous consumption, and additionally from an investment to a desire for a purchase of residential property, will draw upon different variables than scholars focusing on typical luxury goods.

At this point, the context is refined to evaluate correlations between variables with different perceived values. The goal is to explore whether a given relationship is valid or different with perceived value intervals. Thus, it can be said that aggregate purchases of a given residential property with prescribed value vary in describable ways with Economic, Individual, Cultural and Social levels, or whatever other factor is introduced.

In addition, "*real estate is an investment, an asset and a lifestyle"*, (Wealth-X and Sotheby's International Realty (2015, p. 8) and an investment can pose individuals' multiple identities (Thompson and Loveland, 2015). Furthermore, generic theoretical concepts fail to illustrate the volitional nature of a phenomenon.

1.5 The Structure of the Thesis

The structure of this paper on perceived values and effects is as follows:

Chapter 1 introduces the background information about the phenomenon of an affluent group and Hong Kong luxury residential properties, indicates the research problem, and raises the questions, hypotheses, and poses objectives of this paper.

Chapter 2 relates to the Literature Review of consumer behaviour and all necessary parts of luxury properties as well as Theoretical Framework.

Chapter 3 portrays the approach and adoption of research method, sample size, survey instrumentation, the use of statistical tools and ethical issues.

Chapter 4 reveals the quantification of data and the interpretation of these data through the use of statistics, and reports the findings of this research.

Chapter 5 finalises the conclusions which can prove the results of the study, and show the rationale of why all four independent variables are important.

Chapter 6 raises recommendation to the study outcome, and provides the managerial implications. Chapter 7 points out the limitations of the study, and suggests future studies. Reference shows all reference literatures which were referred and cited.

Materials in the Appendix area show all necessary as well as availing graphs, an explanation of independent variables, the constructs and the sources of survey instruments, the results, and all relevant information for elucidation of this study.

Chapter 2: Literature Review

The literary review of this study presents a theoretical and inspirational foundation, and helps with the choice form and wording of questions (Adams *et al*., 2007, p. 131). All relevant theories and topics for buyer behaviour are explored. An overview of the adoption of all essentials in Literature Review is to analyse all key elements, which affect consumer behaviour and decision-making based for luxury residential properties.

2.1 The Causation of Consumer Behaviour

As early as 1964, Glock and Nicosia focus on two basic approaches, which are the understanding of the behaviour of single individuals (Micro Behaviour), and of the mass of people in aggregate (Macro Behaviour). After half a century, the concept has now been evolved to a wider and broader boundary such as the individual, social, cultural and economic levels.

Consumer behaviour can be defined as "*the buying behaviour of final consumers – individuals and households who buy goods and services for personal consumption*" (Kolter and Armstrong, 1990, p. 142), and is seen to involve a mental decision process as well as physical activity, which its actual act of purchase is just a stage in a series of mental and physical activities that occur during a period of time. These activities, can be considered as a part of behaviour, precede the actual buying, while others follow it (Loudon and Bitta, 1993, p. 7).

2.1.1. Model of Consumer Buying

Kolter and Armstrong's model (1990, p. 143) in Figure # 2 show the flow of a decision making process based on different phases of *Marketing Stimuli* and *Other Stimuli* (these can be deemed as Influences), *Buyer's Characteristics*, *Buyer's Decision Process* and *Buyer's Ultimate Decisions* (these can be related to Buyer Responses) at a specific time (it can be regarded as Time Opportunity). Gherasim

(2013) illustrates all complex behavioural models which embrace consumers' perception and interpretation based on their previous knowledge, experience, opinions, future goals, personality and social status as the development of the learnings, beliefs, values, attitudes and purchasing intentions. In other words, use of Affective Component (i.e. feelings and emotions) and Cognitive Component (i.e. knowledge and beliefs) is an ideal or effective way to measure the behavioural expectations and buying intentions (the behavioural tendency to seek additional information) of an individual toward an attitudinal object. Having said that, consumers' preference and choices are heavily based on a complex decision process as below.

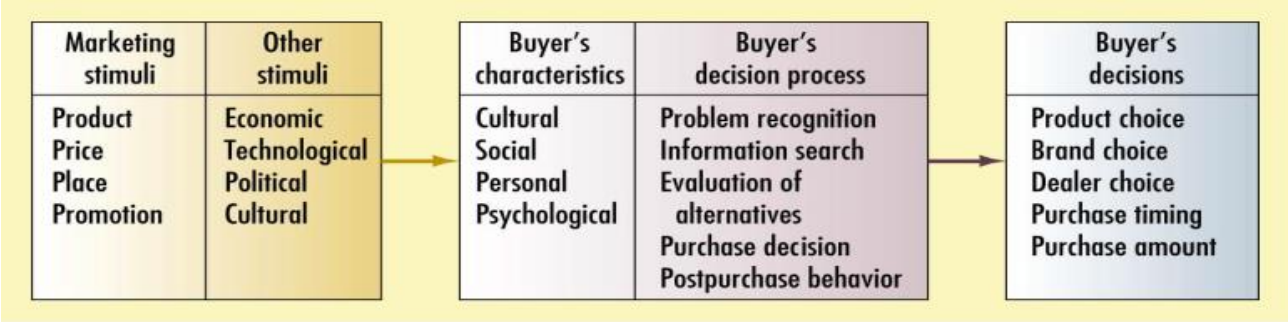


Figure # 2 explains the Flow of Decision Making Process
Source: Adapted from Kolter and Armstrong (1990)

In luxury realm, four types of wealthy consumers can be ascribed as

Gardyn (2002), as cited by Eastman and Eastman (2011), advocate that luxury consumers can be divided into three types: 1) Those who believe luxury as functional and are seeking for quality and enduring value; 2) Those who believe luxury as a reward and emerging success to others and 3) Those who believe luxury as a rarity, and will pay for exorbitant prices for goods that show off their identities and individualities, and are simultaneously focused on the unique emotional qualities and a brand. And additionally, Cunningham (2004, p.31) and Reader's Digest (2018) indicate that 4) Those who believe luxury as an investing tool to bring in revenues or long-lasting value or physical assets.

In the residential property market, Anastasia and Suwitro (2015) distinguish between rational and irrational purchase factors underlying the property buying process. They see Physical, Location, Environment, Finance factors as rational factors; while Psychology (over-confidence, conservatism bias, information and familiarity, herd behaviour, mental accounting, and loss aversion), Emotion, Intuitional, Socialization, and Evaluation are irrational. However, culture should need to be added to the study, as "*it is the set of values, beliefs, ideas, norms, morals, and customs that are transmitted and shared in a given society*" (Kamal *et. al*. 2016, p.156).

2.1.2 Consumption Patterns reflect Consumer Behaviour

As per Glock and Nicosia (1964), the study of consumer behaviour refers to the consumer decision process, and consuming objects, which includes the efforts to portray and elucidate preferences and choices either at a given time or over a period of time. On the other hand, the study of *consumption behaviour* is concerned with the description and explanation of behaviour of aggregates of consumers or consuming objects, again at a given time or over a period of time.

To reiterate what Kolter and Armstrong say, "*Individuals and household who buy goods and services for personal consumption*" (Kolter and Armstrong, 1990, p. 142). What does "consumption" mean? According to Graeber (2011, p. 491), consumption is "*any activity that involves the purchase, use or enjoyment of any manufactured or agricultural product for any purpose other than the production or exchange of new commodities*", and its theoretical choice on "consuming" things can be reflected to a theory of human expectation and fulfilment. Patsiaouras and Fitchett (2012, p. 154) cite Adam Smith, "*Consumption contributes to the maintenance or improvement of the social standing*". Berthon *et al*. (2009, p. 46) also cite Smith's four categories of consumption as: *necessary* (to sustain life); *basic* (to continue growth and prosperity of people and society; *affluence* (to spend on something without a certain necessity) and *luxury* (to pursue scarce supply, expensive and difficult for possession).

Based on the literature, patterns of consumption in this category can be very similar to or have a strong psychological affinity with conspicuous consumption. This has several roots such as Status Consumption, Symbolic Consumption, Face Consumption, Luxury Consumption that reflect a kind of exceptional consumer behaviour (Mason, 1981), in which some people act differently from the majority, showing the consumer inclination in particular product or service with adherence of splashy consumption. The obvious issue in this concept is that consumerism shows buying power, status and class in the society while making others jealous (Firat *et al*., 2013).

Some people like to impress others through their consumption. They feel the need to demonstrate their success and superior lives, wealth, qualifications, occupations and families. How the styles of status, symbol, face and luxury consumption influences in Chinese society can be viewed as:

(i) Status Consumption

Status can be defined as *one's ranking of vertical stratification of social group, and can be recognized as an important motivator of human behaviour* (Nunes, 2009, p. 12). Kilsheimer (1993), as cited by O' Cass and McEwen (2004, p. 26), defines status consumption as "*the motivational process by which individuals strive to improve their social standing through conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others*". Status consumption can be related to the behaviour of seeking to purchase goods or services for status (Shukla, 2008). These sorts of consumption consist of the purchase of branded or expensive products, which are seen as critical in building up an identity, a vanity of achievement and identification for consumers (O' Cass and McEwen, 2004).

Shukla (2008) explains that many consumers seek status from products that not only satisfy material needs, but also social needs. She shows status seekers striving for tangible evidence of the superiority

of products. This type of consumption describes various factors such as psychological need, brand association, high perceived value, luxury, prestige, wealth association and self-concept. The behaviour of status consumption is affected by self-monitoring and interpersonal influences.

(ii) Symbolic Consumption

Shipman (2004) assesses symbolic consumption – expenditures that seem prodigal also acquire effective personal and social value -- distinguishing "use value" from "exchange value". He points out that shifts of conspicuousness can be transferred from quantity to quality, from materially valued products to culturally valued products, and from of "waste" to "taste". In other words, symbolic consumers always believe themselves to be spending more appropriately than others.

Patsiaouras and Fitchett (2012) observe the importance of class-consciousness to social stratification of the community or group relates to environment/political conditions and cultural norms. The social preference tends to move to a reorientation of conspicuous consumption, from the "physicality of consumption" to the "conspicuousness of preferences" and symbolic consumption then moves to a focus on the value of other people's knowledge, experience, talent and time being purchased (Shipman, 2004).

(iii) Face Consumption

Monkhouse *et al.* (2012) indicate two obvious cultural variables which are "face saving" and "group orientation" that stimulate the consumers' thoughts on luxury products. Face saving implies keeping one's social dignity and position, and is concerned with an individual in the society. In other words, people do mind what other people say or criticize when they consume luxury products. On the other hand, Li and Su (2007, p. 242) describe *the motivational process by which individuals try to enhance, maintain or save self-face, as well as show respect to others' face through the consumption of*

products. They ascribe three specialised characteristics which are Conformity, Distinctiveness and Other Orientation in Chinese Society. These in turn can be explained as:

Obligation: When consumption seems to be a necessity, Chinese people have no choice except to emulate what other people act and do in their social group. Their consumption activities are heavily based on a reference practice that helps to maintain or save their face in their buying activities.

Distinctiveness: Chinese People will only spend for branded or expensive products to show off their "faces". Consumption is for the sake of group face or interests that are more important than their individuals' interests.

Other Orientation: The importance of value of the products or services can help Chinese people to possess full face in the perceptions of others. Gift giving, invitations for visit and dinner parties are different typical ways to respect others' face.

(iv) Luxury Consumption

Many researchers see luxury consumption arising from a combination of status, symbolic and face motives. Hudders and Pandelaere (2012) say psychological, biological, motivational, personal and cultural factors are linked together, and interact with each other. All these associations can be explained as status, symbolic and face consumption in which consumers not only use goods to signal status to others, but also to comply with the group norms or to reveal their identity to others.

Husic and Cicic (2008) show how luxury consumption combines prestige and luxury, as consumers earn more and are willing to pay more for expensive commodities. In Chinese society, affluent people are able to afford high end branded products (Wang *et al*., 2011). The item-driven and product-driven can be strong motivators for luxury consumption, and consumers are more likely to pay attention to external social needs than internal individual needs (Wang *et al.*, 2011).

2.1.3 Root of Conspicuous Behaviour

Consumer behaviour is a hot topic for marketing researchers. The genesis and relevance of consumer decision-making began over a hundred years ago, activated by Nicholas Bernoulli, John von Neumann and Oskar Morgenstern (Bray, 2008). The first to focus on Conspicuous Consumption (his phrase) was Thorstein Veblen (Veblen, 1899) who took an economic perspective to examine overtly splashy consumption. His work influenced later studies of exceptional consumer behaviour and decision-making and 50 years later Duesenberry (1949) and Leibenstein (1950) explicitly extended its development to a psychological perspective which have attained prominence and a new social significance in the 21st century.

The desire for lavish or splashy consumption can be traced to tribal times when men captured property, women and slaves as trophies (Page, 1992). In more developed societies, high status people display their status through education, expensive leisure activities like polo, yachting and fine dining and through lavish properties as laid out by Veblen's Theory of the Leisure Class (Shukla, 2008). By 1950, Leibenstein (1950) recognised and categorised that "Bandwagon", "Snob" and "Veblen" effects were important for many types of expensive goods. In a review article, Mason (1981) inherited the status-oriented consumption that included following others (Bandwagon effect); distinguishing the general case in pursuit of rarity (Snob effect) and pursuing pricey items (Veblen effect). Wong (1997) used "Materialism" to connect Conspicuous Consumption and ascribed its meaning as akin to personality traits such as "possessiveness, non-generosity, envy and preservation." Vigneron and Johnson (1999) developed the theoretical framework of "prestige-seeking consumer behaviour" which borrowed the conceptual idea of "Interpersonal" effects from Mason (1992). Vigneron and Johnson also included a "Personal" framework such as "Hedonic" and "Perfectionism" effects which inspired Dobois and Laurent (Vigneron and Johnson, 2004). Wiedmann *et al*. (2009) amplified their 4 major luxury value

perceptions such as social, individual, functional, and financial aspects. However, the meaning of such consumption patterns has been changed with the evolution of society and perceived value.

Several studies that adhere to the major principles of behaviourism, but differ subtly in other ways (Bray, 2008). The whole picture of behavioural aspects and value-perceptions needs to be evolved to luxury consumption and comprise a broader variety of luxury values. According to Weber (2011), Conspicuous Consumption has been referenced in 227 Journal articles between 1894 and 2010, and Veblen was cited 85 times with regard to the phrase. Without a better or more appropriate term, the theory can still be a part of "Universal Knowledge" and can be one of the adjectives to describe *Exceptional Consumer Behaviour* (Mason, 1983).

In the historical perspective, the evolution of conspicuous consumption is that the antecedents of status consumption have long been studied as a basic construct of economics (Mason, 1981); psychological factors (Skukla, 2008); brand associated factors (Vigneron and Johnson, 1999, 2004; Stegemann *et al*., 2011); and various perceived values, and segmentation (Vigneron and Johnson, 1999).

In the psychological perspective, luxury is particularly slippery to define (Wiedmann *et al*., 2009) and a subjective value which many market practitioners focus their hypes and gimmicks on the premium brand of properties. From the anthropological perspective, Graeber (2011) views consumption as material "desire" in the pursuit of "consumer goods" chosen from a range of comparable products and subject to the personal inclinations. In this sense, material desires can be seen to lead a commodification of culture that enhances the capacity for ideological control or autonomous domination (Graeber, 2011).

From a cultural perspective, residential property can be a shelter or home full of love, warmth, rapport and harmony to family members. Chinese people have a strong hereditary mind set with Confucian family values. Therefore, they prefer buying and owning a home rather than renting.

From an economic perspective, a luxury product is like other goods or services, often treated as a commodity – that is to say the demand and supply of such a product will react to price changes in the usual way. This view can be challenged on the basis that the luxury property is not merely a consumption or capital commodity, but depending on the consumer's intentions and expectations may be also be seen to offer consumers different benefits, both personal and interpersonal.

There is an on-going discussion which of the various attitudinal and behavioural variables between different types of buyers. Marketing strategies for property developers are to sell their residential developments and infrastructures at a profit which has become a greater challenge in the last two decades because of the increase of competition and increasing availability of marketplace information. Sophisticated strategies may help marketers in segmentation and targeting, but the ability to act on such technical refinements is constrained by inadequate knowledge of Consumer Behaviour, Decision Making and Motivation.

Real-life homebuyers are not only subject to Interpersonal and Personal motivations, but are varied abilities and backgrounds what shape their perceptions of values (independent variables). However, most of the literature of Conspicuous Consumption merely addresses narrative variables (e.g. Value of Overt of Wealth, Status-Seeking, Emotional Goals and Hedonic lures), although they are all ingredients of perceived value towards luxury and branded goods. In other words, they are all independent variables in the study. Furthermore, in the components of theory, Conspicuous Consumption cannot fully reflect the present situation, especially for luxury residential property. Is

an overt display of wealth synonymous with acquisition of happiness as well as substantiality and an investment hedge? Are there hidden or secret motivations or variables? Are the identified variables sufficiently practical for a study of this kind of exceptional consumer behaviour?

2.1.4. Consumer Culture

Kamal *et al*. (2016, p. 156) emphasize that "*culture is the set of values, beliefs, ideas, norms, morals and customs that are transmitted and shared in a given society*".

Culture is a complex and abstract means to show a general interpretation of the customs, beliefs, art, the way of life and social organisation of a particular country and another means of attitudes (Oxford Dictionary, 2008, p. 487). Hofstede (1991), as cited by Firat *et al*. (2013, p. 188), express that "*cultures are to society what personality is to individuals*". In other words, culture can be shared with involved members in the society and can be transmitted from one generation to next generation.

Firat *et al*. (2013) explore cultural influences on consumer behaviour to explain why people buy products. As compared to western societies, purchases of residential properties in Chinese society are ubiquitous. Some purchasers pursue usefulness with new innovations, quality, design, utilities and aesthetic impression; others are more concerned by face-value, motivated to buy limited quantity, gained social acceptance and kept up with the joneses; some might adhere to consumption patterns that raise status, self-confidence and a sense of achievement; and some might spend money for blissful living with their families and to transfer wealth to the next generation.

Consumer culture in the luxury residential market can be viewed as a group of homebuyers, who use their buying power, their emotions and philosophy to pursue perceived values from purchasing and owning properties, living in a comfortable area and standing out from the crowd.

2.1.5 The Luxury Residential Market

The locus of luxury changes over time (Berthon, *et al*., 2009). Luxury is a subjective and elusive aesthetic judgments that people use to justify the perceived values of the products themselves. Peter and Olson (2008, p. 24) mention that consumer/market influencers are anything that affects what consumers feel, think and do. In the property market, social stimuli such as the action of others in cultures, subcultures, social classes, reference groups and families could change consumer thoughts, feelings and behaviours. In a reciprocal system any elements can be either a cause or an effect of a change at a particular time. Behaviour can change the consumers' affect, cognition, and environment, and vice versa. In addition to such reciprocal system, PEST factors can help to explain the antecedents with reference to homebuyers.

In marketing it is essential to identify various external factors that might affect the key variables that are likely to influence the market's demand, supply and its costs. Kolter (1998) says that *Political, Economic, Social and Technological* forces are a strategic measuring tool for awareness of market growth or decline, business position, potential and direction of operations. Fahey and Randall (2001, p.193 - 195) go further by citing six major segments of the macro-environmental elements which are *Social, Economic, Political, Technological, Ecological* and *Institutional areas.* PEST analysis is for strategic planning, marketing planning, product development, segmentation and targeting. Use of PEST therefore helps to break free of unconscious hypothesis and lead the company to adapt to the realities of the environment. Developers heavily rely on such a picture to set up and implement business strategies.

Hong Kong people like to live in convenient places near transport. Convenience is of value to the homebuyers. JLL (2016) and South China Morning Post (2018) emphasize that the realisation of new

railway infrastructure can create an impetus for residential price growth in the benefiting districts such as Homantin and Whampoa (Kowloon Side) and Wong Chuk Hang station (South Island Line). Local press reports (Knight Frank, 2013) a number of reasons for buying luxury proper in Hong Kong, e.g. a number of wealthy people pursue luxury properties and paying high prices for their own sakes, while other homebuyers bought luxury properties for improvement of living; Celebrities bought them to protect their privacy; Investors bought for bond-like characteristics (a high income) but equity-like features (rental growth); Straddlers observed the market change and looked for bargains; Speculators looked for a gap between cost and immediate return; Mainlanders bought second homes; Tuhaos (BBC, 2013) and Nouveau Riches (Page, 1992) pursued as an overt display of wealth; thus buyers and motives to purchase are diverse, and changeable.

The reality reflects an obvious fact of microeconomics and extends traditional theories of market behaviour to incorporate perceived values and behavioural preference. Functional Effects push homebuyers to choose Brand, Beauty and Utility; Interpersonal Effects are more about Conspicuousness, Uniqueness and Social Reference; Personal Effects dovetail individuals' inclinations on Traits, Emotions and Quality as main criteria. Investing Effects evoke the importance of Location, benefits of Compound and Long-Lasting Value as a cumulative purpose. The symbiosis of these four effects can be a convergence of Buyer's Preference Variables.

2.1.6 Planned Behaviour and Purchase Intention

Shukla (2008) indicates that two fundamental assumptions can be inferred when developing a general theory of consumer decision-making. She points out that "rational" (economic) and "irrational" (psychological) elements often impact purchase decisions and secondly, the functionality of a product can be a prime consideration in product evaluation and purchase.

Buyers' attitudes are an essential answer to this topic. Three components of cognitive, affective and behavioural are explained as below:

Cognitive Component relates to the buyers' beliefs, perception and knowledge which represent the buyers' beliefs to luxury properties. The knowledge of buyers may affect their perceptions in the form of their beliefs (Schiffman and Kanuk, 2007, p. 236). The more positive the properties are perceived the more favourable cognitive component is hypothesised to be.

Affective Component relates to the buyers' emotions and feelings which represent how the homebuyers comment on, express their feelings and emotions to the properties or developers.

Behavioural Component relates to the buyer's intentions and actions which are associated with specific behaviours (Gilovich *et al*., 2006, p. 26). It is an observable outcome motivated by the interaction of cognitive component (beliefs) and affective component (strength of beliefs). The behavioural component may represent future intentions (Hair *et al.,* 2004, p. 392).

It is crucial for the developers to think of the functional framework or a combination of functional framework which can be applicable to their strategies. However, it is an obstacle for attitude theory in psychology because the tension between expressed attitudes and observed behaviour will be very loose in a broad range of studies (Sapsford, 2007, p. 141).

Sapsford claimed good predictive power in Figure # 3 for a "theory for rational behaviour" or "theory of planned behaviour" (Ajzen and Fishbein, 1980) which takes into account an intermediate stage of intention" between attitudes and behaviours, mediated by "norms" of behaviour and the likely reactions of significant others to it, affected by the perceived and agreed behavioural control. This seems applicable when the buyers consider purchases of property, especially the luxury type. It is a high involvement process which they will analyse and compare with their desired values, and will

then turn into an attitude of intentions and eventually act their behaviours. Most will probably act rationally, but gambling investors or speculators will probably act somewhat irrationally when they have experienced either house money or break even or snake bite effects.

Consumer preferences and choices are concerns for all property developers. How do homebuyers evaluate their preferences, and decide their choices by making their decisions, especially in a luxury residential property market? As illustrated by figure # 3, Ajzen and Fishbein (1980) advocate a theory of Reasoned Action that describes the relationship between attitudes, beliefs and behaviour. Intentions, in the psychological area, are just a human thought to act something based on several mental factors. It could be a plan, or an aim or a determination to act in a certain way. Kamal *et al.* (2016, p. 157) further explain that "*an intention is an indication of a person's willingness to perform the behaviour, and it is an immediate antecedent of behaviour*". As per Francis *et al*. (2004), intentions can be seen as the precursors of actual behaviour and proximal measures of behaviour. In the consumer realm, it is an assumption that behaviour results primarily from a cognitive process. A purchase intention can then be explained as a consumer's attitude, evaluation and motivational factors that can come up with a purchase intention, which ascribes measurable factors to predict consumers' actual behaviour.

A purchase of residential property is a planned action and will have a strong linkage with the learning process, perceptions and attitudes of the consumer. In the western world, marketers are concerned with these three factors, and study consumer behaviour and their involvements in interactions among consumers' thinking, feelings, actions, and the environment and the exchange process between buyers and sellers. In contrast, in Chinese society, developers are concerned with their culture, beliefs, norms and attitude to the matter of perceived values.

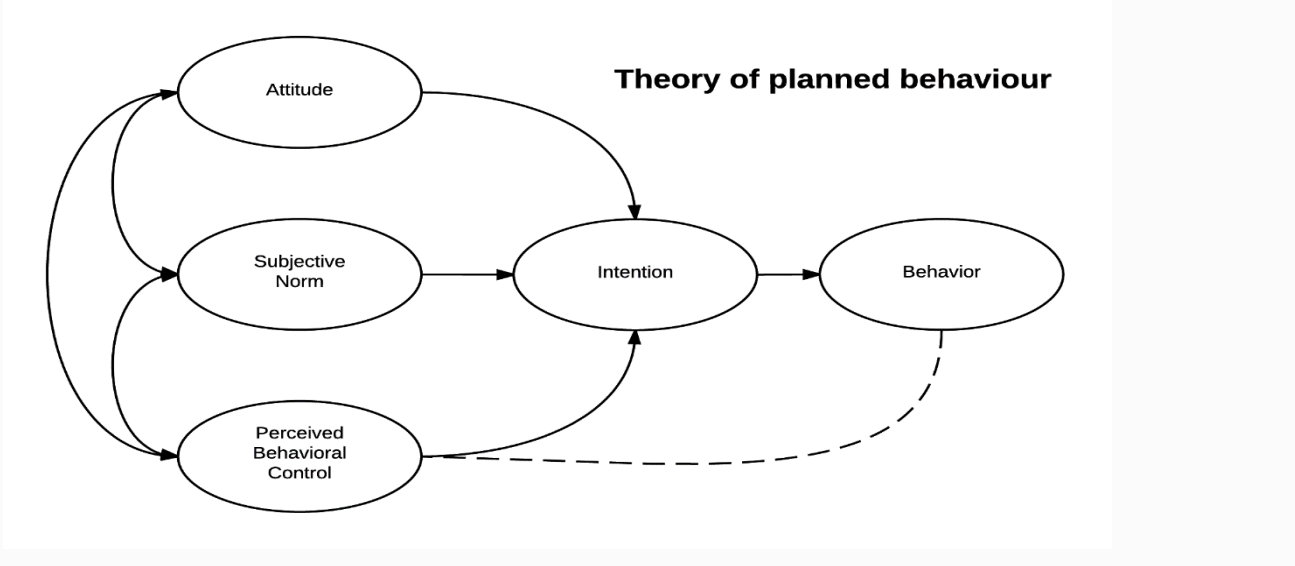


Figure # 3 Theory of Planned Behaviour
Source: Adapted from Ajzen and Fishbein (1980)

2.1.7 Family Consumption Roles

Residential property is, of course, a more expensive product than most others. The consumption role for this sort of product is not only based on perceived values, pecuniary values, brand, three investing values, but also a family decision-making process in the majority of circumstances.

On the supply side (developers) are interested in knowing the relative amount of influence that couples have when the family comes to consumption choices. Schiffman and Kanuk (2007, p. 330) observed that married couples were more likely to share equally in purchase decisions. In Hong Kong, most families only have one or two kids, and will treat their children as "little emperors". Many property purchases are heavily influenced by and based on these kids. Chen and Uttal (1988) portray that the traditional and modern Chinese cultural values are relevant to the children's educational development and achievement, and how children perform their self-improvement and focus on school diligence for an accumulation of skills and knowledge. Parents' belief about education and "school network" can be one of the prime determinants, as parents normally set and expect their children for

a high standard of learning, their easy accessibility to ideal schools. This locational culture has been an emergent phenomenon. On the other hand, most couples also think of their parents' adaptability, and take care of their parents and feel the onus to pay "Filial Piety" to the old generation. This Confucian culture has a long history in Chinese society.

In addition to different sorts of values, buyers (the parents) are interested in looking for better locations. They may choose a better school network as a prime factor and will consider the rest of family issues. According to Schiffman and Kanuk (2007, p. 329), Table # 5 shows the typical 8 roles in the family decision-making process will definitely affect the result of the decision.

Role	Description
Influencers	Family Members who provide information to other members about a property.
Gatekeepers	Family Members who control the flow of information about the family into the family.
Deciders	Family Members with the power to determine whether to buy a property.
Buyers	Family Members who make the actual purchase of a property and burden the payment.
Preparers	Family Members who transform the property into a consumption by other members.
Users	Family Members who use or live in the property.
Maintainers	Family Members who care of or repair the property.
Disposers	Family Members who initiate or carry out the disposal or discontinuation of a property.

Table # 5 showing the Roles of Family Members
Source: Adapted from Schiffman and Kanuk, 2007

2.2 Theoretical Framework

Theoretical Framework is a convergence of interrelated concepts, restricting the boundary of study and deciding what is to be measured, and the extent of statistical relationships within the target dimensions. Koklic and Vida (2009) mentions that the product search consists of several factors that

can be spilt into three areas: situational determinants, product determinants and buyer characteristics. These can be related to internal (experiences of homebuyers) and external (market trends) layers. In other words, information can be obtained through a coincidental and/or intentional search.

The similarities of the Conspicuous Consumption theory consist of several perceived values that have been revealed in the literature. The classification of these values can be recognised and focused on an example of Luxury Residential Property.

To provide a rich and deep portrayal, a number of different designs are reflected in studies of this type of behaviour, illustrating various economic, psychology, social factors and investing purposes. Where "conspicuous consumption" views the consumer as "ostentation of wealth and status", contemporary research on behaviour solely refers to a range of causes impacting consumers, and recognises a wide range of perceived values beyond purchasing. These values commonly include:

- Functional Effects consist of ***Brand***, ***Beauty*** and ***Utility*** Values
- Interpersonal Effects consist of ***Conspicuous***, ***Unique*** and ***Social*** Values
- Personal Effects consist of ***Personal Trait***, ***Emotional*** and ***Quality*** Values
- Investing Effects consist of ***Locational***, ***Compounding*** and ***Eternal*** Values

A review of all relevant theoretical knowledge relates a comprehensive portrayal from various areas. The study consists of 12 perceived values within 4 critical effects which are significant for theoretical framework.

What is meant by something having values and effects to someone? According to Oxford Advanced Learner's Dictionary, (2008, p. 2230), "value" can be estimated or applied to money or other goods

that can be exchanged, and its quality of being useful or important. As for "effect," Oxford Dictionary (2008, p. 639), says it is a change which causes a result. In this scenario, values and effects can be the keys of the theoretical framework, and influences to consumer behaviour.

Values on individual dimensions can be deemed as "Internalised Values", which are gained in a complex socialisation and cultural process (Dembkoski and Hanmer-Lloyd, 1994), and can be said "*to be the way the importance of one's own actions register in the imagination – always by translation into some larger social language or system of meaning, by being integrated into a greater social whole"* (Graeber, 2011, p. 496). As per Mason (1983), conspicuous consumers gain pleasure and satisfaction from the network reaction to their overt displays of wealth, both between and within their social groups (Wong, 1997; O' Cass and McEwen, 2004). Whether Status or Conspicuous Consumption, exceptional consumer behaviour (Mason, 1981) appears two types of constructs in literature. O' Cass and McEwen (2004) cite that the previous work has revealed a significant overlap, and the two constructs are often used interchangeably.

Goodwin *et al.* (1997) summarised what Veblen (1898, p. 389) argued about "*it is the characteristic of man to do something, not simply to suffer pleasures and pains….. [Human nature is] a coherent structure of propensities and habits which seek realization and expression in an unfolding activity*". Giacalone (2006) says that Leibenstein's Veblen effect describes a positive relationship with price and quantity demand for high end commodities, and the contrary of what would happen in typical demand theory, e.g., the "snob" and "bandwagon" effects. In this century, economic value creates hedonic value and confers emotional value to people who value rare luxury properties and exclusive privilege in an attitude of materialism and utilitarianism.

Patsiaouras and Fitchett (2012) observe that even today Veblen's name has a strong affinity with the term "Conspicuous Consumption" and with "exceptional consumer behaviour". Similar terms for this value perception include: Conspicuous, Unique, Social, Hedonic, Quality value (Vigneron and Johnson, 1999) and materialistic value (Wiedmann *et al.*, 2009). Although Roulac (2007) deviates from luxury value and has not discussed conspicuous consumption, he applies a trilogy of terms for functional value; brand, beauty, and utility. These are useful for classifying descriptions of property value (Roulac, 2007).

2.3 Functional Effects

(A)Functional Effects consist of ***Brand + Beauty + Utility (Trilogy Application) = Property Value***

***Brand Value** (which developer builds these properties and where it is the place brand)

***Beauty Value** (what the view and environment will be)

***Utility Value** (what spacious sizes, configurations and functionalities will be)

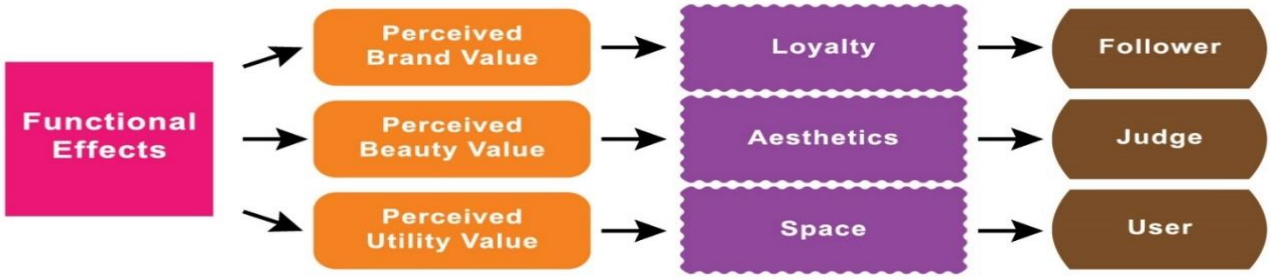


Figure # 4 illustrates the Flow of Functional Effects
Source: Adapted from Roulac (2007)

As per figure # 4, Roulac (2007, p. 428) shows that "*on a conceptual level, a property's value is determined by its use, specifically what people will pay for the right to the use of the property*". Shipman (2004, p. 283) mentions that "*Branding, the creation of an image that adds informational or impressionistic content to the products it is applied to, allows premium-priced product symbolic content to be brought to the mass market*." According to Ashworth (2009), places have long been used as a marketing form of planning and management, and can be built as a place brand which can

differentiate a place. For example, the location of the properties, say Repulse Bay, will command a premium over the entire development due to its impressive view and convenience. The brand of property developer, such as Sun Hung Kai, a symbol for quality in the Hong Kong residential market, may command a premium price. Branding contributes a competitive edge permitting expensive prices to be charged (Ashworth, 2009).

"Luxury" is also an aesthetic judgment that distinguishes the value and quality of a place, or its environment. Beauty elements in property include panoramic views and a complacent environment, which are related to luxury through the development of taste and the appreciation of beauty and refinement (Berthon *et al*., 2009). Further luxury brands embody crafted symbols, which go beyond the material, craftsmen to evoke a world of dreams, images, signs and motifs.

The utility value of residential properties rests on design and structural attributes, size and configuration. Homebuyer responses to a price depends on the evaluation of the choice in light of the reception of benefit or utility associated with the purchase (Kwon and Schumann, 2001). Zeithaml (1988, p. 14) implies that this value can be referred to as "*the consumer's overall assessment of the utility of a product based on the perceptions of what is received and what is given*".

2.3.1 Brand Value

The American Marketing Association defines a brand as "a name, term, sign, symbol, place or design, or combination of them, intended to identify a good or service" (Kelly, 2003, p. 3). Kolter *et al.* (2006, p. 280) indicate that brands can be signals of a certain level of quality which let satisfied customers choose products again without worry. In general, luxury brands can be a reliable means to secure a differentiation and competitive advantage.

A brand can be the soul of the product. Successful brands deliver functional, emotional and self-expressive benefits (CIM, 2003). Figure # 4 shows the desired values for consumers who choose the right brand at the right time and, while marketers distribute the right products to the right people. Consumers are invited not only to identify with a brand, and its values.

Roulac (2007) elucidates that brand is one of the key components of property price. Sun Hung Kai (2018), the largest Hong Kong developer, proves their brand with a strong feature of "Building Homes with Heart", and offers the finest homes to their customers, and provides comprehensive care services to their stakeholders. Brand development has become a prioritising strategy of developers which can help to increase sales and elevate up the property prices. This idea has been well interpreted and supported by the study of Fah and Cheok (2008), their studies confirmed the branded developers have definitely gained extra lucrative profit from their brands. The prices of branded properties are normally higher than the other residential properties with similar conditions and in the areas. In addition, Pfrang (2010) also proved that property prices of branded properties are about 7.5 % - 15.1 % expensive than unbranded or less renowned property.

The names of developers attribute their brands and qualities of their developments. In Hong Kong, five largest local developers are Sun Hung Kai Properties, Cheung Kong Holdings, Henderson Land, Sino Land and New World Development (Donkin, 1999), and also a British Developer, Swire Properties, having their own areas for developmental realms, and they all develop countless luxury properties in the past 40 years. The recent trends are to work with some renowned and collaborative parties for co-branding activities. High quality properties and branded fixtures aim to offer the homebuyers a comfort and a dash of luxury.

2.3.2 Beauty Value

Most of the developers in Hong Kong now focus on Architectural Excellence that creates structures with artistic merit. In this, they echo a broad trend towards beauty that comes from increasing co-operation between top designers and architects. These modern-day specialist combinations create properties at the high end that compete on artistic and design merit for lifestyle-oriented customers (luxuryculture.com, 2015).

Hong Kong Luxury properties usually have bespoke interiors and modern fittings. Most units are meticulously designed with green features, high ceilings, and high quality appliances in the kitchens and baths. Properties are also embellished with grand lobbies and a surrounding environment with a resort or clubhouse style including comprehensive services. Uninterrupted views to the South over the sea can be one of the core values of beauty.

Beauty Value encompasses both exterior treatment and interior architectural details. Natural features such as landscaping, trees, topography and views all enhance the visual experience for property owners (Roulac, 2007).

2.3.3 Utility Value

According to Property-Words (2015), there is value in use to the owners and users, which includes the value of amenities attaching to a property. Utility Value consists of internal values, e.g. size, configuration, design, installations, while external values refer to communal areas, club-houses, location, environment, transportation, infrastructure and schools. Utility offers homebuyers a quintessential living experience. For example, a recent trend in Hong Kong is to denote a planted green balcony as an "environmental filter", which enhances energy efficiency by acting a sun-shade, provides plantings to mitigate pollution and traffic noise (Chau and Wong, 2004).

Functional Effects can give consumers a sense of symbolic content (Shipman, 2004), sensory pleasure, aesthetic beauty (Wiedmann *et al.,* 2009), material superiority, technical excellence (Zhan and He, 2012) uniqueness (He *et al.,* 2010) and good taste of brand choice and preference. Brand, Beauty and Utility Values lead to the following proposition:

H1. Brand, Beauty, and Utility Values (Functional Effects) are significantly and positively correlated to the perceived value of the luxurious property.

2.4 Interpersonal Effects

(b) Interpersonal Effects consist of Conspicuous Value, Unique Value and Social Value

*__Conspicuous Value__ (whom will be impressed by the brand or property)

*__Unique Value__ (which one is a luxury property and only a select few will get it)

*__Social Value__ (who pursues and adores it)

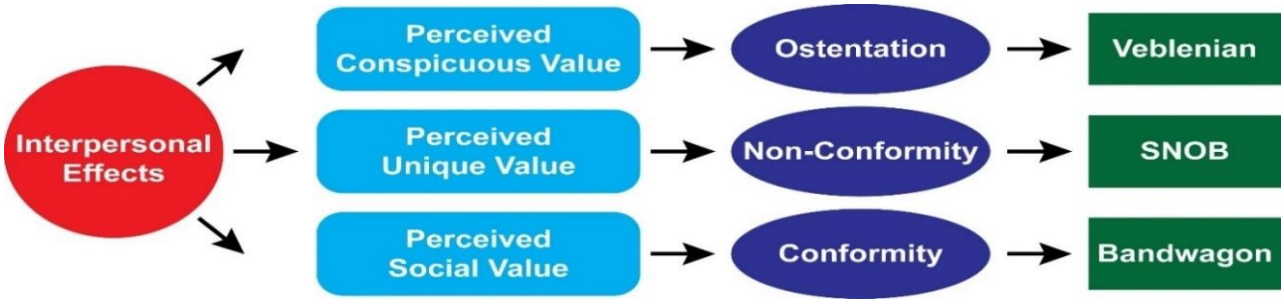


Figure # 5 illustrates the Flow of Interpersonal Effects
Source: Adapted from Vigneron and Johnson (1999)

Mason (1981) stated that conspicuous consumers gain pleasure and satisfaction from the reaction of their social network to their overt displays of wealth (O' Cass and McEwen, 2004). By 1950, Leibenstein built on Veblen Effects (Conspicuous Value), by adding two effects--the Snob Effect (Unique Value) and Bandwagon Effects (Social Value) as underlying factors for positive feelings.

According to Vigneron and Johnson (1999), Veblen Value can be regarded as the signalling strength of wealth, influence, power and status. Property consumers see price levels as meaningful indicators

of levels of prestige. Further, Snob Value can be obtained when products are scarce or limited, and Wiedmann *et al.* (2009) point out that Snob Value is scarcity and perceived "Exclusivity" and "Rarity". On the other hand, the Social Value (also known as the Bandwagon effect) drives consumers to follow what other people do.

"*Dress as an Expression of the Pecuniary Culture*" and "*Higher learning as an Expression of Pecuniary Culture*" Veblen (1899, p. 167, p. 363). Veblen (1899) predicts the conspicuous behaviour of HNWIs and outlines an innate human characteristic in the leisure class. HNWIs have strong beliefs to associate the object with an expected attribute. It can be said that they will pursue something differently, as compared with the majority of people. A hierarchy of luxury goods in the cultural perception can be a kind of prestige goods which are, for examples, a membership of the Jockey Club, owning a luxury car, horse, or a spacious apartment. This reflects that a cluster of HNWIs are having a solid belief or attitude of "Invidious Comparison" and "Pecuniary Emulation".

Wealth discrimination in the society is on the rise. The huge distance between poor and rich is being normalised. Redwood (2013) cites this phenomenon as Beccaria's Theory of Luxury says that "*while rich people use wealth to show their superior social status, middle class consumers will use their growing wealth to emulate the social class above them".*

Wealthy Chinese do care what other people do, consume, act, own, live and like comparing to each other. They do not want to lose face, and so display their status and acquire social acceptance with ostentatious consumption. What other people do are reference-group influences. There is much commonality of action and thought in high context societies like China, and some purchasing seems to be of a contagious nature to groups of people. Therefore, figure # 5 contains of three different values as an illustration of Interpersonal Effects.

2.4.1 Conspicuous Value

Modern History Sourcebook (2015) says Veblen's idea of Conspicuous Consumption, is based on the economic differentiation between an economically superior class and an inferior working class. Conspicuous consumption of valuable goods is a means of displaying reputability to consumers who can afford higher prices for luxury items, and aspire to achieve greater social status. This sort of consumption is evidence of wealth. The extreme type of such behaviour can be regarded as a "Veblen effect" which may be empirically significant in some luxury markets, and deemed as the acquisition of expensive goods and services for the purpose of inferring status and wealth. Veblen's phraseology such as "pecuniary emulation" and "invidious comparison" highlights certain behavioural characteristics albeit with more than a hint of opprobrium (Giacalone, 2006).

Leibenstein (1950) shows that conspicuous consumption utility comes from a commodity which depends not only on the inherent qualities of goods, but also on the price paid for it. The higher the price, the more desirable the good appears.

Some family groups, such as speculators and investors, are willing to pay more for emblems of success than others, and fully understand that the majority of wealthy home users share these values. The University of Pennsylvania (2015) portrays that valuable possessions visible to all are a signal of one's wealth, success and status, and explains that most people recognise all spending decisions which will be affected by economic desire, not culture.

This may explain that the typical home-users do not spend more on visible luxury properties, even if their spending power is equal to that of speculators and investors. Perhaps it is common sense. But it is more likely that typical home-users do not need status symbols as much because they are not gambling on properties.

In many critical contexts the term "consumerism" which Veblen coined, is an irrational and confounding form of economic behaviour. Veblen (1899) severely criticises redundant consumption as a form of status display:

"It is true of dress in even a higher degree than of most other items of consumption, that people will undergo a very considerable degree of privation in the comforts or the necessaries of life in order to afford what is considered a decent amount of wasteful consumption; so that it is by no means an uncommon occurrence, in an inclement climate, for people to go ill clad in order to appear well dressed" (The Theory of the Leisure Class, 1899, p.168).

In the social frame, the ownership of a spacious apartment in this respect can confer status, a signal of wealth, power and social presentation in a bid to impress others (Monkhouse *et al.*, 2012).

2.4.2 Unique Value

Leibenstein (1950) mentions that the desire of individuals to purchase something extremely expensive or rare, increases the demand, and the price of whatever item is perceived to improve social status of the consumer. In a sense, snobbish consumers buy what cannot be widely bought. It seems that they value exclusivity, and present with the option under the condition of scarcity (Investopedia, 2018).

A perceived limited supply of properties enhances the homebuyer's value and preference for the branded developer who can provide luxury properties. Vigneron and Johnson (1999) indicate that "items in limited supply have high value, while those readily available are less desirable. Rare items command respect and prestige" and maximizes the individual satisfaction. In other words, the scarcity of luxury properties has an even greater effect on demand if homebuyers perceive properties as unique and expensive.

Many developers in Hong Kong concentrate their efforts on the luxury property market as they know the government land policy and scarcity of supply. From a commercial standpoint they use prestige-pricing and "wow" factors to support their marketing of luxury properties. For instance, they would launch Penthouse and Sky Floor units at exorbitant prices, and offer a kind of superiority and creates "a second to none" selling point to homebuyers.

2.4.3 Social Value

A society comes to recognise the importance of money for survival, growth and development. The value of money supports social status and prestige for those who produce, possess and accumulate it. Therefore, pecuniary matter becomes a major dimension of the relative importance and privilege of different classifications of people in the network or society and a power beyond the economic.

Leibenstein (1950) defines the Bandwagon effect.

"The extent to which the demand for a commodity is increased due to the fact that others are also consuming the same commodity. It represents the desire of people to purchase a commodity in order to get into 'the swim of things'; in order to conform with the people they wish to be associated with; in order to be fashionable or stylish; or, in order to appear to be 'one of the boys" (Bandwagon, Snob and Veblen in the Theory of Consumers' Demand, 1950, p.189).

High-end products such as luxury property seem to be a symbol of psychological value, representing not only economic security and social status, but also a source of self-confidence and self-esteem.

Schumpeter (1989) illustrates that everyone lives in a community will look for guidance to what other people do, and mentions that individuals put a value on their goods based on what they can get for them in the market; and this value depends on how other people see them. This underscores the mutual interaction of individuals and their resulting social influences.

The competition for wealth is really a matter of human comparison and emulation. The emergence of HNWIs evolves to reinforce their own of identity. Luxury properties are built in similar grades of and sold at similar prices such that the group shares the visible use of material culture and goods to make stable categories of culture (Patsiaouras and Fitchett, 2012).

Interpersonal Effects can create a sense of conspicuousness, identity, status, social standing and the power of associated respect, consideration and envy of others (Eastman and Eastman, 2011), and imply that the goods act as a symbolic maker of the social class which consumers wish to be associated with (Monkhouse *et al.*, 2012).

All these three values are hypothesized as follow:

H2. The Conspicuous, Unique and Social Values (Interpersonal Effects) are significantly and positively correlated to the perceived value of luxurious property.

2.5 Personal Effects

(c)Personal Effects consist of Personal Trait Value, Emotional Value and Quality Value

***Personal Trait Value** (why a desire is important for greater control of ownership)

***Emotional Value** (what pleasure or happiness can be derived from brand or property)

***Quality Value** (how good the property is)

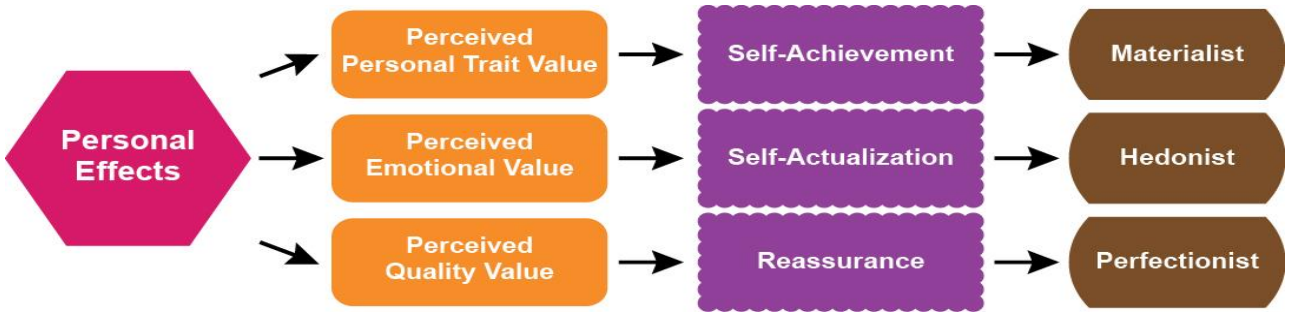


Figure # 6 illustrates the Flow of Personal Effects
Source: Adapted from Vigneron and Johnson (1999) and Wiedmann *et al* (2009)

According to Wiedmann *et al*. (2009), Personal Trait Value can be described as the degree to which possessions play a central role in one's life. Individuals see the place in which they live as central to their sense of identity (Thomas, 2013). Luxury purchases often underline the level of quality expected (Vigneron and Johnson, 1999), and Wiedmann *et al.* (2009) indicate that luxury consumption of certain products can identify with emotional responses such as sensory pleasure, aesthetic beauty and excitement. This applies to property where a place can arouse a feeling of personal reward and fulfilment. As for quality, Vigneron and Johnson (2004) point out that it is difficult to develop a luxury product without developing a long-term commitment to quality. In other words, homebuyers perceive that luxury property will be of merchantable quality and superior characteristics compared with typical property. Therefore, figure # 6 concludes three different values to the Personal Effects.

The affordability of the group of HNWIs represents the strong economic level as per their income sources and their household revenue. Financial situations of individuals are normally based on three current variables such as professions, educational background and earning power.

2.5.1 Personal Trait Value

According to Belk (1988), a product represents a strong source of personal identity. The extended-self plays a major role in driving ownership. Wong (1997) says this sort of behaviour is often associated with materialism that stimulates consumer demand, especially of luxury goods. Belk (1985), as cited by Wong (1997), sees materialism as akin to personality traits, which embrace the traits of possessiveness, non-generosity, envy and a new emerging trait of preservation.

Wiedmann *et al*. (2007) describe that this sort of materialism as the degree to which individuals principally find possessions play a central role in one's life, and so they devote more time and energy

to purchase activities. It can be said that "possessions" serve as a signal or source of communication to others for displaying their status or position (Wiedmann, *et al*., 2007).

Wong (1997) explains that this trait can be a value rather than behaviour or personality. This trait includes beliefs of "acquisition centrality, and the role of acquisition of happiness and success:

"Acquisition centrality refers to the importance materialists attach to acquiring more possessions which allows acquisitiveness to function as a life-goal for them. Materialists also hold strongly to the belief that owning or acquiring the right possessions is a key to happiness and well-bring. Finally, materialists as people who believe success can be judged by the things they own."(Wong, 1997, p.199).

2.5.2 Emotional Value

In psychology and cognitive science, the basic idea behind hedonistic thought is that pleasure is the only thing that is good for a person, and all action shall be aimed at achieving the greatest happiness for everyone or to prevent pain. Higgins (2006) says that it is an experience of the intensity of the force of attraction to or repulsion from the value target. Its value as a degree of excellence has often been treated in term of beliefs and inferential judgment.

Vigneron and Johnson (1999) say that a prestige brand satisfies emotional desire, and a product's subjective intangible benefits such as aesthetic appeal is clearly determining brand selection. On the other hand, Pestrichelli and Ferbert (2012, p.12) hold that emotions play a key role in investing in property. They also say hedonic people are obsessed with personal expected values based on the individual aim for fulfilment and self-respect. Hedonist buyers are more interested in their own tendencies and feelings, thus are willing to pay more than care about the prices.

"The hedonistic conception of man is that of a lightning calculator of pleasures and pains, who oscillates like a homogeneous globule of desire of happiness under the impulse of stimuli that shift him about the area, or leave him intact" (Principles of Economic, Marshall, 1920 – Quoted in The Consumer Society, p. 154).

Emotional value is an experiential and subjective dimension, and can be one of the essentials for homebuyers who only care for renowned developers and luxury locations. It can be linked to buyers' lifestyle and propensities and past experience on the purchases of a similar type of properties.

2.5.3 Quality Value

Quality is a fundamental and functional element in luxury properties. Vigneron and Johnson (1999) say "high prices may make certain products or services more desirable" when consumers deem that expensive products can mean of better quality. Consumers only perceive the famous brands having an excellent level of quality. Wiedmann *et al*. (2007) say that consumers may think of luxury products with superior brand quality and reassurance, so that they can assume more value from it.

Many Hong Kong developers use of renowned electrical appliances and expensive building materials in order to create better quality of value and to let homebuyers have a feeling of extra value. Roulac (2007) implies that the value trilogy (brand, beauty and utility) can reflect the quality value such as ideal location, view and environment, building quality and materials, management and security service. All these components can be the attributes of quality value.

Personal Effects can create in consumers a sense of self-ownership of possession (Wong, 1997), hedonic and emotional values, superior quality and self-actualisation (Vigneron and Johnson, 1999).Therefore:

H3. Personal Trait, Emotional and Quality Values (Personal Effects) are significantly and positively correlated to the perceived value of luxurious property

2.6 Investing Effects

(d)Investing Effects consist of Locational Value, Compounding Value and Eternal Value

***Locational Value** (why homogenous people choose to live in the same place)

***Compounding Value** (how the Return on Investment will be)

***Eternal Value** (how long the value is lasting)

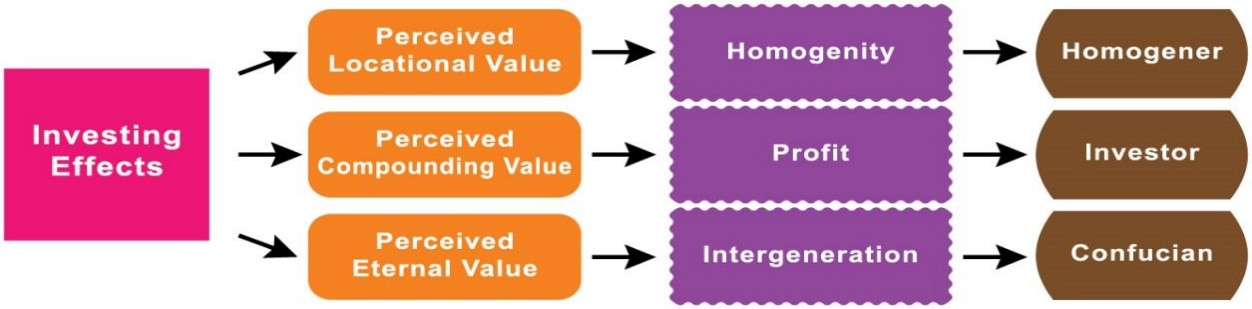


Figure # 7 illustrates the Flow of Investing Effects
Source: Adapted from Roulac (2007), Wang *et al*. (2011) and Woychuk (2009)

Housing demand, at any time, is a function of real income, interest rates and prices, rather than a constant or fixed quantum worked out by planners (Lai and Yu, 2003, p. 152). Investment demand, in contrast to living demand, induces those with wealth to become residents, and others who buy to rent or wait for price appreciation (Tse *et al*., 1998).

Murphy (2010, p. 9) explains that when the economy is on an upswing, property creates substantial *Returns on Investment*, and enhances capital growth as good as stocks. Besides, salary or revenue rises with expectation for a quality of living that also helps translate into higher capital values. It is worth remembering that many of the world's fortunes are pinned on property. Property is often regarded as a stable, solid and safe hedge and investment for life – its value tends to rise over time. The true return will emerge when the economy improves, and people start to pursue better quality of

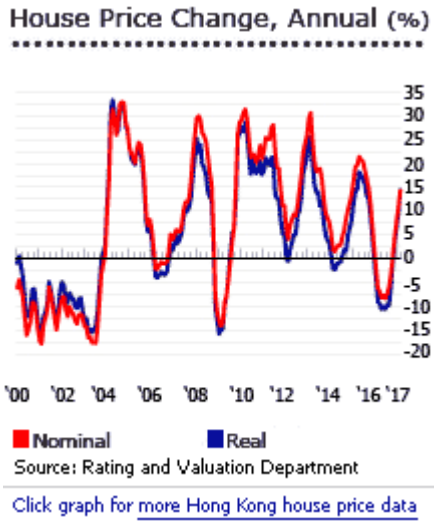
life. In contrast, inflation will start to squeeze homeowners when the economy is worse. Food prices as well as gas and electricity costs start to go up but salaries lag behind, often in many years, making mortgage repayment much more difficult. Every investor or homebuyer wants to protect the wealth from the corrosive power of unpredictable inflation (as cited in Eldred, 2009, p. 5).

According to Tse *et al.* (1998), the unique nature of Hong Kong – limited developable land and population change led to the opportunity for investing activities. In Hong Kong, luxury apartments are generally considered a better investment than mass housing (Hui, *et al.*, 2011). The potency of Investing Effects in Hong Kong is ubiquitous. Investing Effects can be ideated as one of the parenthetical remarks in this study, and can be inextricable from Functional Effects, Interpersonal Effects and Personal Effects. The focus can also be one of the independent variables which is tangential or nugatory, or veritable or cogent or consonant with Purchase Intention.

Booms and flops of residential property value happen all the time, especially at different economic crisis and global impact. For instance, anyone who blindly pursues luxury properties in Hong Kong without evaluating the pecuniary consideration, or the economic climate or real estate cycle, will probably make a loss. Pornchokchai (2011) says the real estate cycle is a crucial consideration for investment, which all involved parties (i.e. developers, investors, homebuyers, and banks) need to understand.

Time can be a crucial factor to property investors. No matter if they decide to purchase at the best or worst time, they usually deem properties as more solid commodities and substantial financial investment. On the other hand, developers also seek to time selling activities as well as buyers' digestibility and affordability. Developers understand that most property professionals incorporate time and pecuniary issues into their investment strategies.

However, property development is a dynamic on-going progress and time runs through it as an unchanging source of uncertainty, and it is a time-consuming business which the developer is difficult to anticipate the actual flow of expenses and revenue throughout the building period (Byrne, 1996, p. 5). Figure # 7 shows these three critical values to the homebuyers.



Source: Global Property Guide, 2017
Figure # 8 showed the graph with all price changes in different years of time

The figure # 8 shows the price fluctuations in the past 17 years. According to Global Property Guide (2017), the obvious growth starts from the year of 2000 to the year of 2017 which the prices have been changed annually.

Salzman and Zwinkels (2013) pose a good question about whether buyers refer a house, home or property. Housing clearly is not just a consumption good, but also an investment for wealth. Leung (2004, p. 5) points out that "*the significant fluctuations in housing price would imply significant fluctuations in wealth, and thus potentially significant household wealth effects"*. Investing activities can be short or long term "*Speculation*" or "*Investment*". Malpezzi and Wachter (2002) explain that "speculation" signifies a short-term time horizon, rather than those who buy and hold. Speculators prefer a short-term approach by "flipping" and "rehabbing" properties, other investors such as home-

users prefer adopting an intermediate-term or a long-term approach, which includes holding and managing for three to five years or longer (Berges, 2004, p. 14 -15).

Berges (2004, p. 15) defines short-term investors are those who buy and sell properties in a shorter duration and often seek gains by adding value through making improvements, or by winning advantage of market price inefficiencies. Intermediate-term investors usually hold properties for two years to five years, and seek gains through a combination of increases in accumulative value, resulting from rising prices, or by making improvements to properties. Long-term investors may purchase properties as family assets for generations, and hold them a long time. They seek gains through capital increment, holding and maintaining their investments while making improvements on as-needed basis. Therefore, figure # 7 comes up with three different values as Investing Effects.

2.6.1 Locational Value

"Location, location, location" is a common mantra in real estate (Investopedia, 2018).The theory of property value formation commonly refers to a location as an integrated impact of a set of locational attributes (Kauko, 2003). Properties located in different areas of a city have different pecuniary valuations. The land costs are based on property location, heavily affect the ultimate selling prices of property. This implies that location can represent a different history and story of a place, view, density, accessibility, and characteristic of residents. Eldred (2009, p. 75) recommends that investment decisions require homebuyers to know the features, properties, neighbourhoods, construction costs and lot values.

Fang and Higgins (2013) mention that scarcity of land contributes to locational value. The cluster of Urban planning is affected the supply of land, which will create value. Roulac (2007) says that "location" drives property appeal, value and development potential. Properties located in distinctive

areas offer Place Identity and distinction to residents. Ashworth (2009) explains that place can be a marketing asset, and can be clearly attractive when differentiating a place from others. This is why Repulse Bay and The Peak can be treated as the most expensive areas in Hong Kong.

Preferred location can confer the homebuyers' value of accessibility and convenience, and maintain their living habits and social neighbourhood. Tse and Love (2000) indicate that higher-income households are willing to pay extra for a "neighbourhood homogeneity". This means that wealthy people will pursue a "badge of resident" and live in one district or other, full of similar people. Locational value can then be assumed to correlate with other perceived values such as Functional, Interpersonal and Social Value.

Duijn and Rouwendal (2012) emphasize that heterogeneity of preferences is often relevant to the family structure and individual characteristics such as the presence of children, age, education and ethnicity. The socio-economic composition of the neighbourhood population thus receives attention in the typical location choice models.

One of the key catalysts that drives housing demand is the desire to buy a larger family home in an area that offers good schooling (Savills UK, 2015). Making that preference often occurs in anticipation of a child starting school or promoting to secondary school or even university. Most of the parents in Hong Kong do care of their children, and are concerned with their children's growth and development. Parents will probably choose the best schooling and send their kids to better learning environment. In other words, parents and residents wish to live in proximity to educational facilities. Pinjari *et al*. (2009) mention density of schools in a zone as typically positive, and Axhausen *et al*. (2004) and Vyvere *et al*. (1998) report a similar effect, resulting in a negative reaction to longer distance from schools.

In addition, Wu *et al*. (2012) claim that Feng Shui effects have a significant impact on homebuyers' selections in Chinese Societies. More than 70% Hong Kong people feel Feng Shui is an important cultural and environmental component when deciding a purchase of a residential property.

Even if Feng Shui is seen as important, there is no model that can incorporate its conceptual thought into a prescribed consideration of consumers' residential property behaviour. However, the significance of Feng Shui is critical for home selection. Homebuyers have self-concerns when choosing a location for home. People want to live in a harmonious, auspicious, successful, safe and healthy environment, where can be an ideal choice. Liang and Osmadi (2015), on the other hand, reflect the findings of their study, and prove several factors that would be harmful to human lives. They recommend not to live in or to eschew from proximity to the places such as graveyards, prisons, industrial areas, hospitals, electrical substitutions and etcetera. Therefore, good Feng Shui factors attribute advantages of Locational Environment or Geographical Environment. In Hong Kong Repulse Bay and The Peak areas are full of wealthy residents such as business tycoons.

In order to target the right audiences, developers rely on the old mantra of "location, location and location" in seeking suitable sites for luxury residential development. Location of course implicitly embodies Feng Shui concepts, which are important to many Chinese people. So luxury residential properties are normally situated in a prestige address, where aspects of Feng Shui such as proximity to negative associations (i.e. hospitals, funerals, graveyards…etcetera) and also positive associations (i.e. view, facing water, surrounded by mountains, etcetera) have already been considered. Within a property, Feng Shui principles are also applied as a matter of course in term of arrangement of rooms and orientation. The main point about luxury properties is therefore that their Feng Shui is implicit – otherwise they would not be luxury properties. It is therefore not a matter for separate consideration in this research.

2.6.2. Compounding Value

Cunningham (2004, p. 31) observes that value investors pursue and appreciate the power of compounding to generate higher returns over a long period of time. Historically, property prices rose by 300 - 400% in the past 15 years. Many long-term investors in Hong Kong are eyeing the rent and therefore pursuing quality properties for leasing purpose.

Home purchase is more likely to be a decision of "spend tomorrow's money" or "spend ahead of income" (Wang *et al.*, 2011), as most homebuyers need to borrow money (Mortgage) and after a long period of time, home purchase is more likely to be a conclusion of "earn tomorrow's money" or "earn ahead of revenue". In other words, investment on property can help home owners earn "present" and "future" revenue. According to Woychuk (2009), four values can be illustrated as

Diversification Value - The positive aspects of diversifying financial portfolio in terms of asset allocation are foreseeable Returns on Investment in Real Estate have relatively low correlations with other asset categories (typical investment tools such as stocks and bonds), which adds to the diversification of financial portfolio.

Yield Enhancement - Real Estate helps investors or speculators to gain higher returns for a given level of portfolio risk. Similarly, by adding real estate to a portfolio investor could maintain the portfolio returns while minimizing risk.

Inflation Hedge – The appreciation of Real Estate returns is directly linked to rents received from tenants in a contractual period of time. Some leases contain provisions for rent increases to mirror inflation. In other cases, rents are increased whenever a lease term expires and the tenant is renewed. Either way, real estate revenue tends to accelerate in inflationary environments, allowing an investor to maintain its returns.

Influence of Performance - Real Estate is a solid asset having utility value to residents. As a result, an investor can do things to a property to enhance its value or improve its appearance. Examples of such embellishments include: replacing a roof, refining the exterior and renovating the building. An investor thus has a greater degree of control over the performance of a real estate investment than other types of investments.

2.6.3 Eternal Value

In traditional Chinese society, most Chinese people have a strong sense of belonging – to own their own place with a peace of mind and a feeling of "self" security. Chinese believe that a home can help to realize and extend their Confucian value - a particular emphasis on the importance of the family and social harmony. This seems to be a traditional heritage and strong cultural impact.

According to The World Bank (2016), Chinese value the hierarchical structure of social life since Confucius's era. Confucianism tells that people are not in equal position, for example, father and son, husband and wife, and older and younger siblings, and they play different roles in the family. People are restricted by specific relationships that dictate their obligations toward other people.

In Chinese society, parents try to protect and take care of their children, and children have onus to listen to the older generation. It can be viewed as "Filial Piety" and "Respect" for the elderly. Filial Piety is one of the most profound values that maintain family relationships and social structures across all Confucian heritage cultures (Chan *et al*., 2012).

The Chinese had always been collectivist, but one's major loyalty is to the family (The World Bank, 2016). The core values are identified as respect, a desire of family harmony, love and affection toward parents, and a desire to repay parents for their physical and financial sacrifice as the core motives for adult children to care for their elderly parents at the end of life (Chan *et al*., 2012).

Owning a property is a Confucian Value and a way to build family rapport, and hold present and future assets. It could be a life contentment and investment to sustain a life value for the next generation and other family members. Hong Kong is one of the Confucian influence societies, and most of the people share similar cultural traits based on Confucian Values (Monkhouse *et al*., 2012).

The existence of a property can be long-lasting for 50 – 60 years. It appears not only a long term residential value, whether in usable function or leasing purpose, but also attaches to a heritable and memorial value, which cannot be judged by a pecuniary amount. Many historical buildings are very valuable. Likewise, obsolete posh apartments located in innate areas are also worth of a high value.

Long lasting properties can also be kept for the next generation. Schindler *et al.* (2014) mentions that Intergenerational Influence from parents can be identified as an important force, and revealed a significant parent-child correlation about a substantial similarity in the pattern of choices and preferences between parents and their adult children. Consequently:

H4. The Locational, Compounding and Eternal Values (Investing Effects) are significantly and positively correlated to the perceived values of luxury properties.

Lastly, perceived values can be a catalyst for the creation of purchase intention (Wong and Cheung, 2013), and are the contributing factors that affect purchase intention, and ultimately are a buying signal from consumers' state of attitude to behaviour.

Therefore,

H5. The Convergence of perceived values will be significantly and positively associated with luxury property purchase intentions or behaviours.

2.7 Concept Map

A concept map in Figure # 9 reveals the whole exchange process between demand and supply. The funnel approach states every stage of the process and narrows the study to the behavioural area.

The concept map illustrates the operational system, which consists of

1. The Roles of Seller and Buyer
2. The background and relevance of Supply Side and Demand Side
3. Sellers' Availability and Buyers' Affordability
4. Marketing Efforts that affect Consumer Behaviour and Purchase Intentions
5. Sellers' revenue derived from property sales, and therefore created purchase intention.

In reciprocal marketing system, the exchange activities between two parties are normally based on Political, Economic, Social and Technological situations, and emergent Micro and Macro Environments. Then the signal of a market trend and need will be emergent.

This thesis narrows the topic within the stipulated grey area, where the part of a behavioural study in figure # 9 is to examine the impacts of all relevant perceived values and investigate whether all four effects (*Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects*) and the sum of final independent variable, *Convergence of Perceive Value* have correlations with Purchase Intention or not. Various theories from literature have been used to develop a conceptual model, test the feasibility of this study, and confirm the application for this particular commodity.

The study of Purchase Intention for a purchase of Luxury commodity is obviously complex, embracing numerous factors which set out to explore homebuyers' experience, and eventually evaluate their expectations in their decision-making process.

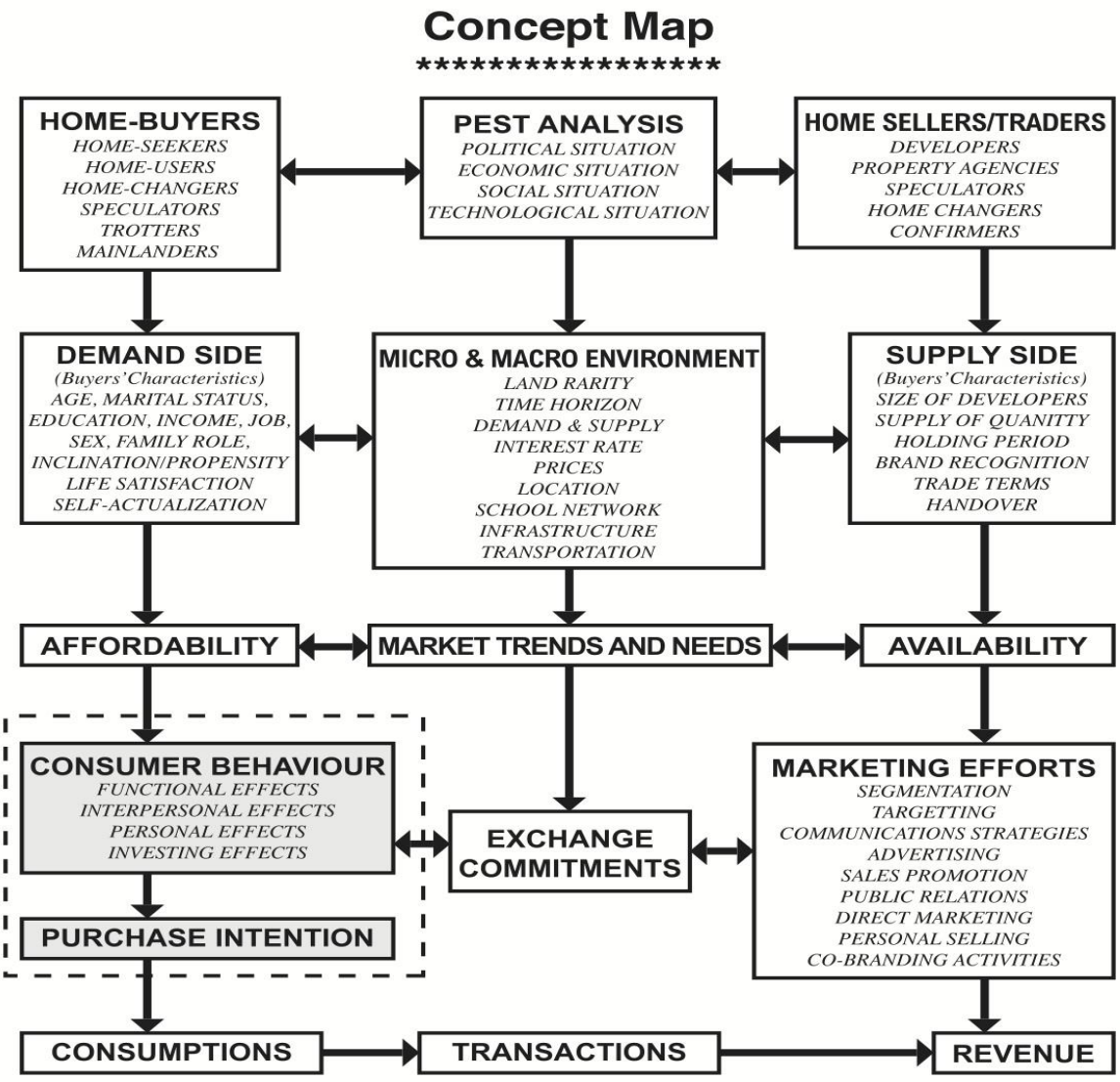


Figure # 9 - The Concept Map

The conceptual map articulates the nature and determinants of effects, and ideates a domain for investigation of twelve perceived values within four applicable effects, which are used to be the independent variables for a measurement of the relationship with dependent variable - Purchase Intention.

- Functional Effects consist of ***Brand***, ***Beauty*** and ***Utility*** Values
- Interpersonal Effects consist of ***Conspicuous***, ***Unique*** and ***Social*** Values
- Personal Effects consist of ***Personal Trait***, ***Emotional*** and ***Quality*** Values
- Investing Effects consist of ***Locational***, ***Compounding*** and ***Eternal*** Values

These values are unanimous and felicitous, and affect each other. Various effects and perceived values evoke the preference and choices of homebuyers, which affect their value perception about the availability of properties, and stimulate the propensity among potential homebuyers.

The Purchase Intention for a purchase of luxury residential property is not only based on one type of effects without thinking of another one.

2.8 Property Investment

Oliverira (2003, p. 17) mentions that "*the income-producing property is actually an investment, which its present value of all anticipated future cash flows is the critical factor affecting the property's value, or its intrinsic value*". It seems to be equivalent to the present value of its future cash flow.

In Hong Kong, residential property has been a successful and winning investment for home buyers (Hutchison, 1994) in last 30 years. Nowadays, it could be a visible and substantial product, which is a more solid and stable investment tool to maintain and expand wealth. Luxury property buyers can

generally be divided into: Homebuyers, Corporate Tenants, Long-Term Investors and Globetrotters in one group, and speculators and short-term investors in a second group. The first group, based on observation, tend to think long-term, while Speculators are more short-term oriented.

Thaler and Johnson (1990) use the Prospect Theory to illustrate the value function which defines gains and losses. Behavioural Financing (2016) illustrates that deviations from a reference point are normally concave for gains (Risk Aversion); Commonly Risk Seeking and generally steeper for a loss than for gains (Loss Aversion). Prior Gains and Losses are coded relative to an expectation or aspiration level that differs from the status quo. Three effects can reflect the investors' behaviour when they experience different situations.

2.8.1 House Money: Prior Gains

Behavioural Investing (2016) explains that when people have gained profit from any investment, they segregate and treat profit as "House Money" but not their money. In fact, profit is their money. People will then take more risky investments with "house money" than their own money because they do not realize that profit is already their money and the risk they take is on their money.

Bodie *et al.* (2008, p. 399) explain that the *house money effect* refers to gamblers' greater gut to accept new bets if they currently are ahead. They may think of the bet as being created with their "winning account" as in in property, but not with their own money, and thus accept more risk. After their property values rise, they may treat their investments as their "capital gains account", which can tolerate more risk. They may discount future cash flow at a lower rate and thus further push up prices at the right time, or may use this phrase to express their gusto while ahead.

2.8.2 Break Even: Prior Loss

Thaler and Johnson (1990) cite the original formulation of prospect theory: "A change of reference point alters the preference for prospect". Behavioural Investing (2016) indicates that when people experience a loss, they want to "make it up" by assuming more risky investments. Their aim is to "break even" to try to win back whatever they lost before. An example of this break-even effect can be observed in the property market; after betting one property and losing, gambling investors are more likely to bet on long shots, and gamblers who have lost money during new transactions are more likely to take this kind of risk.

Many fledgling investors lost money from 1998 to 2003. Most would have invested their money in the market again with an objective to make up their prior losses. They bought properties in a worse time and won back their losses and even gains after the year of 2003.

2.8.3 Snake Bite

Behavioural Investing (2016) portrays that when people have experienced a loss of money they feel that they should not take any further risky investments with the money they have left because they intuitively feel they will stick to all bad luck. This may not be true if the investment fundamentals and growth potential have not changed.

The US financial tsunami in September 2008 ruined the dreams of many homebuyers and investors and evaporated their assets. After experiencing a financial loss, people become less willing to take risks. This was the snake-bite or risk aversion effect which could affect people's investing inclinations. For instance, if homebuyers bought properties and those investments were quickly erratic or floppy in price, the first-time buyers might feel a snake bite, and the loss of property price value would be their traumatic experiences.

2.9 Development of a Conceptual Model

This thesis was inspired by a wealth of literature, detailed above, that shaped the understanding of the modelling paradigm for residential property purchase decisions. The conceptual model, in Figure # 10, consists of four different effects and twelve perceived values to develop for the means of conducting consumer research. This is used to test five hypotheses. This aim is to propose a model that can enhance knowledge and understanding of luxury consumers in the context of Hong Kong luxury residential market.

2.9.1 Conceptual Model

- The role of subconscious issues should be outlined
- The context and the product should be defined.
- The dimension of various perceived values and effects should be emphasized.
- The interplay of consumers' cognitive and affective attitudes should be analysed.

Based on the context, the proposed model as figure # 10 is appropriate as a theoretical basis for purchase intention and all relevant attitudinal and behavioural thoughts with respect to the type of properties

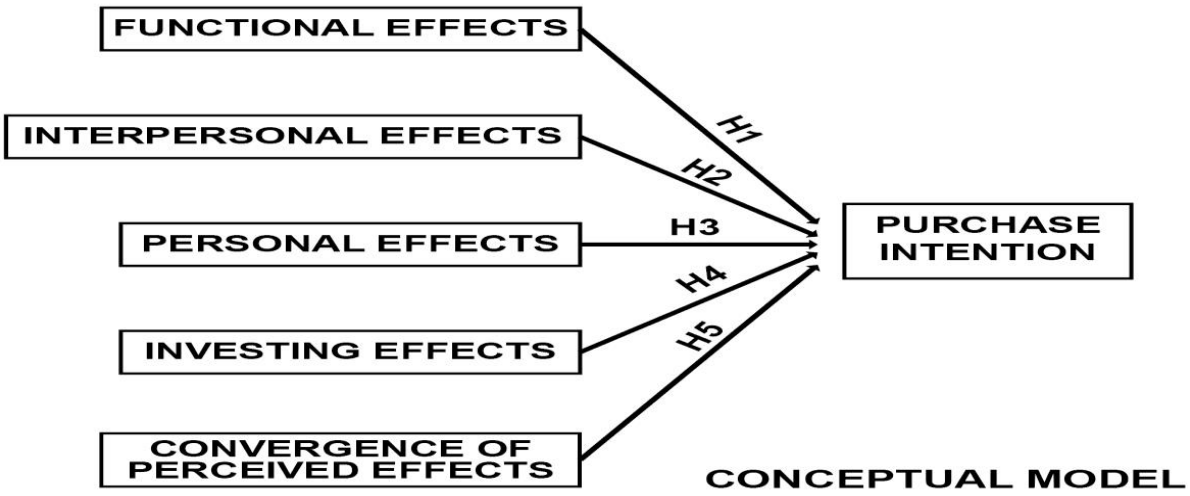


Figure # 10 - The Conceptual Model

2.9.2 Independent Variable

As above, the thesis has developed the model with prioritizing four independent variables which are Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects. All perceived effects are the most influencing factors to the purchase intention of the luxury residential properties. According to various literature, they can be ascribed to the luxury residential properties and can be ideated as

(i) Functional Effects

Homebuyer's purchase intention is based on the property features such as architectural design, prime location, and school network, use of quality building materials, built-in electrical appliances, and management services. All these values can be come from the Brand, Beauty and Utility that can be grouped as one of the independent variables.

(ii) Interpersonal Effects

Homebuyers' purchase intention is based on reference to others, individuals' status and rarity of supply. This sort of purchase decision is likely to reflect an "*invidious comparison*" or a "*pecuniary emulation* (Veblen, 1899) and can be affected by a social influence. All these values can be ascribed as Conspicuous Value, Unique Value and Social Value that can be combined as second group of independent variable.

(iii) Personal Effects

Homebuyers' purchase intention is based on individuals' identities, hedonistic thought and quality pursuit. All these "SELF" values can be found from human characteristics, and described as Trait Value, Emotional Value and Quality Value.

(iv) Investing Effects

Homebuyers' purchase intention is based on preferred location, holding benefits of compounding and long-lasting existence of the property. All these values reveal as locational value, compounding value and eternal value.

(v) Convergence of Perceived Effects

Homebuyers purchase intention covers an accumulative value of Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects. All these effects prove as a combination of perceive values which explained as (i), (ii), (iii) and (iv).

2.9.3 Intervene Variables

The framework has shown the influencing factors to the purchase intention. It can be realized that the most important factors from above mentioned four variables, which will be the prescribed variables to test their relationships with the dependent variable. Besides, other influential factors are restricted to the informants' ages, incomes, education, occupation, family members, Confucian thoughts, social class and even the quality of neighbourhood (Micro Factors), and environmental issues such as legal, economic conditions and political stability (Macro Factors).

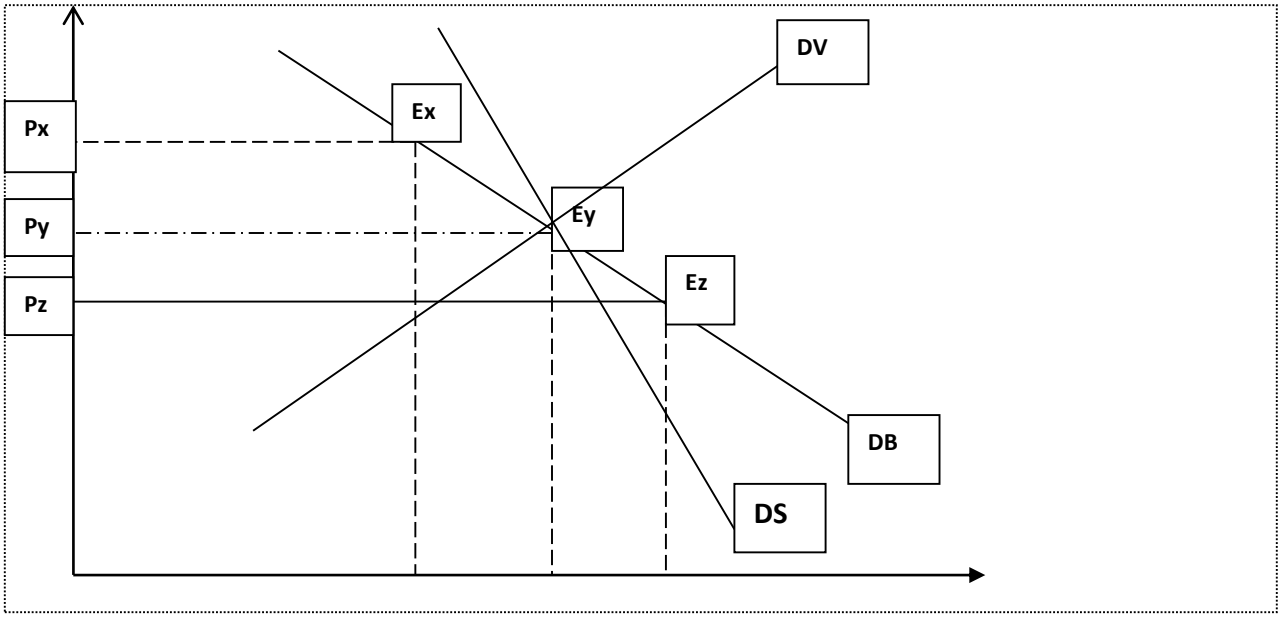
2.9.4 Dependent Variable

As illustrated, Purchase Intention is the dependent variable in scenario. The result is all depended on all four Independent Variables and Intervene Variables as Purchase Intention, which can hypothetically or ultimately lead to a purchase decision.

2.9.5 An Economic Perspectives on the Housing Market

Residential properties are durable goods with a long-lasting value. In fact, housing like other goods and services is often treated as a "normal" commodity – that is to say the demand and supply for

housing will react to price changes in the usual way. However this view can be challenged on the basis that housing is not merely a consumption commodity, but also a capital commodity. Depending on the consumer's intentions and expectations it may be viewed as both a consumption "good" and an investment "good" (Jin and Zeng, 2004) or homebuyers seek properties to "live in" and "invest in" (Ratchatakulpat *et al*., 2009). This means there are likely to be effects on the housing market coming from sources other than market price changes. Consider the diagram below:



Source: Leibenstein (1950) Bandwagon, Snob and Veblen Effects in the Theory of Consumers Demand Quarterly Journal of Economic.
Figure # 11 portrays the different effects of the demand curve

As shown in figure # 11, there are three demand curves for housing, DB, DS and DV with the corresponding price – quantity equilibrium points of Ex, Ey and Ez. Each of the equilibrium points represent a true demand position derived from successive expectations. Thus the demand curve DB represents a bandwagon effect where consumers buy on the basis of how many units of housing they expect other consumers to buy. At any price above or below Px the actual sales will not correspond to expected demand since consumers are 'following' others and will revise their demand expectations upwards or downwards depending on where Ex finally stops. Basically the DB curve represents

people buying more if other people buy more. More people recognise that the spending decisions are influenced by the desire of "keep up with the Jones" effect (Ordabayeva and Chandon, 2010). The snob effect is shown by demand curve DS – this is less elastic than DB and shows that consumers are less likely to "follow" if everyone is buying something – because it no longer has a snob appeal! In the case of the housing market this reveals itself through some customers switching out of the 'mainstream' market and moving 'up market' – in other words to more expensive housing where the 'snob' value is still maintained. The bandwagon effect will raise housing demand and the snob effect will raise it in particular (more expensive) sub-market sectors. Finally the Veblen effect demand curve DV is actually positively sloped – this is because the investment component of housing demand is, for some people, stronger than the consumption component. Therefore as house prices rise they will raise their expectations of future house prices and begin to 'close' deals faster than otherwise. This also has the advantage of securing a house at a price which is expected to rise in the future thus realizing the property investment component.

What does this mean for the housing market in Hong Kong and in particular the luxury market? In addition what does it mean for the marketing strategy of real estate companies? In answer to the first question we should be able to observe the snob effect if prices have indeed been rising and in the second question the marketing strategy for developers will depend on whether the market is undergoing price inflation, price deflation or zero price growth. This economic perspective on the housing market will be tested along with the other theories.

In common sense economic, a home user or family who does not have a home, needs to live in a place where he/she needs to pay for the utility cost. This kind of cost can be viewed as "rent" or "expenditure". The logic of investment can motivate such a person or a family to purchase a place for

utility and off-set their utility cost by moving in that place. That is why Hong Kong people prefer buying a residential property rather than paying and burdening for the rent.

In a sense, a focus on the convergence of all perceived values can be combined with a gap component of Investing Effects, and ascribed to an entire picture for an investigation on Purchase Intention, and possibly an affinity with other three observed variables (Functional Effects, Interpersonal Effects and Personal Effects).

2.10 Summary

The Literature Review revisits several theories and summarises the essentials of consumption patterns, consumer behaviour of an affluent group, PEST analysis in a luxury residential market, family consumption role, perceived values within four critical effects (Functional, Interpersonal, Personal and Investing Effects), and an explanation of various proposed variables in scenario. This chapter illustrates all key components of how affluent consumers pursue luxury items with an objective of value pursuit, outlines a concept map with a detailed flow, and describes every aspect of the conceptual framework of this study, which reveals why a batch of people pursues something based on their financial base, inclinations, aspirations, and their behaviours interpret them as devotees. This can be transplanted that the homebuyers (the demand side) are adoring for something with timeless value, and the developers (the supply side) need to deploy their strategies to fill up the concavity.

Perceived Values	Related Constructs	Conceptual Models of Prior Literature
Perceived Brand Value	*Functional Effects*	Ashwoth (2009) CIM (2003) Fah and Cheok (2008) Pfrang (2010) Roulac (2007) Sun Hung Kai (2018)
Perceived Beauty Value	*Functional Effects*	Berthon *et al*. (2009) Luxuryculture.com (2015) Roulac (2007)
Perceived Utility Value	*Functional Effects*	Chau and Wong (2004) Kwon and Schumann (2001) Property-Words (2015) Roulac (2007)
Perceived Conspicuous Value	*Interpersonal Effects*	Giacalone (2006) Leibenstein (1950) Modern History Sourcebook (2015) University of Pennsylvania (2015) Veblen (1899) Vigernon and Johnson (1999)
Perceived Unique Value	*Interpersonal Effects*	Investopedia (2018) Leibenstein (1950) Vigernon and Johnson (1999)
Perceived Social Value	*Interpersonal Effects*	Leibenstein (1950) Schumpter (1989) Patsiaouras and Fitchett (2012) Vigernon and Johnson (1999)
Perceived Personal Trait Value	*Personal Effects*	Belk (1985) Belk (1988) Wiedmann *et al.* (2009) Wong (1997)
Perceived Emotional Value	*Personal Effects*	Higgins (2006) Pestrichelli and Ferbert (2012) Wiedmann *et al.* (2009) Vigernon and Johnson (1999)
Perceived Quality Value	*Personal Effects*	Roulac (2007) Wiedmann *et al.* (2009) Vigernon and Johnson (1999)
Perceived Locational Value	*Investing Effects*	Ashworth (2009) Duijn and Rouwendal (2012) Eldred (2009) Fang and Giggins (2013) Liang and Osmadi (2015) Kauko (2003)

Perceived Values	Related Constructs	Conceptual Models of Prior Literature
		Roulac (2007) Tse and Love (2000) Wu *et al.* (2012)
Perceived Compounding Value	*Investing Effects*	Cunningham (2004) Wang *et al*. (2011) Woychuk (2009)
Perceived Eternal Value	*Investing Effects*	Chan *et al*. (2012) Monkhouse *et al*. (2012) Schindler *et al*. (2014) The World Bank (2016)

Table # 6 showing the Summary of List of Elements of Four Conceptual Models

Table # 6 is a summary table showing all relevant literature, which supports four-factor conceptual model in the study. All perceived values, related constructs and scholars from their literature are shown as above, and formed and used for measurement.

Chapter 3: Research Approach and Design

Research is a systematic process of collecting, analysing and interpreting information - data (Leedy and Ormrod (2014, p. 2). The approach of research method is an important aspect of research design that helps to reach to the research aims and answer the research question, and simultaneously let the concerned readers understand how the results can diagnose the research problem. The effectiveness of the data collection is heavily based on the practicality of collecting prescribed data in the pre-set time period and the accessibility to the field (Adams *et al*., 2007, p. 107).

The study evaluated the causes and effects relationship, among the value-perception and perceived values which were more likely to be epistemological stance. Based on an explanation by Hudson and Ozanne (1998), used epistemology to generate knowledge and seek out a single objective reality and law. The philosophical approach was based on positivism, used controlled and structural method to identify the topic theme (Research Paradigms and Approach, 2012).

According to Bryman and Bell (2010, p.11), deductive process uses current theories and concepts as theoretical framework to set hypotheses; collect data; conclude findings, verify hypotheses and finally revise theory. The objective is to refine the theory. Deductive approach was used in this study to measure the influences of several perceived effects and values which affect the Purchase Intention.

This study was a pure quantitative method which focused on a survey base investigation to seek for information about a group of homebuyers. The survey research involved acquiring information about the homebuyers' characteristics, opinions, attitudes or previous experiences and asking questions and tabulating their answers (Leedy and Ormrod, 2014, p. 195).

According to Aliaga and Gunderson (2000, p. 1), quantitative research can be defined as "*Explaining phenomena by collecting numerical data that are analysed using mathematically based methods (in*

particular statistics)". As per Creswell (2009, p. 169), the quantitative method included a survey method plan with intent of sufficient sample size, types of participant, instrumentation, variables, pre-test, method of data collection, data analysis and interpretation. This part covered the use of statistical method and instruments as per five hypotheses, and undertook an experimental design based on the proposed model.

Creswell (2003, p. 5) raises two key questions on what the methodology – a strategy or plan of action that can be linked with method of outcome, and what methods – the techniques and procedures can be proposed to use for measurement. The methodology consists of survey and questionnaires as a way to collect data in the study, and includes several considerations such as the knowledge claims, strategies of inquiry and method of collection data (Creswell, 2003, p.5).

The justification on the chosen methodology is that many scholars adopted face-to-face surveys to collect primary data, and investigate the influences of home buyers' purchase decision (Zeng, 2013); factors important in the decision to purchase the home (Kupke, 2008); home buyers' buying attitude towards apartment buying (Kamal *et al.* 2016); property buying behaviour (Anastasia and Suwitro, 2015). Evaluated with the other data collection methods, a survey-based data collection was the most appropriate method and was used for this research for the following reasons:

1. Based on the reference from various relevant literature (Anastasia and Suwitro, 2015: Kamal *et. al*. 2016: Ratchatakupat *el at*., 2009), questionnaire-based survey was a useful way to collect primary data from the population of Hong Kong. It is cost-efficient, effective, practical, faster, worry-free, and user-anonymous.

2. The sample size needed to be appropriate. The sample size was set at around 200 based on the calculation of Yamane (1967, p. 886)'s formula, and the reference sample size of 200 from literature (Troung

et. al., 2008).

3. A large number of stratified respondents could be reached at a relatively low cost or even no cost, and collection time involvement was elaborated, as compared to the method of observation and other sorts of method.

4. Respondents could complete this survey at their convenience and autonomy. This provided worry free feeling to respondents, and let them voice out necessary information with no pressure. This helped to reduce and minimize errors and biases.

5. Respondents were willing to react all sensitive or embarrassing information because of anonymous treatment (Zeng, 2013). Face-to-face surveys could fully observe and determine the respondents' emotions, and help to know their facial expressions to this area of study.

6. The Seven-Point Likert Scale (Kamal *et al.*, 2015: Ratchatakupat *el at*., 2009: Zeng, 2013) in the study could help respondents answer and participate the survey easier and faster, and simultaneously help the researcher collect the feedback in a short period of time. The respondents could answer all 39-item questions by using number, which would help to keep a confidentiality, and thus acquire simple and straightforward reactions to all questions.

The aims of chosen methodology were a) an elimination of the gaps in the literature; b) a solution to the problem; and c) the enhanced level of professional development in the behavioural study no matter in the field of consumer behaviour or in the industry.

In this paper, a survey plan was used to measure three cluster groups of respondents, and specified the form of data collection, sampling structures, frame and size, demographic information, and indicated the instrumentation, ranking scale and the use of statistical tests.

The use of chosen methodology was mainly based on the reference of literature from Zeng (2013), who has done a quantitative study, used survey method as a method of data collection, employed stratified random samples, pre-formulated set of questions, and adopted 7-point Likert scale as ranking tool (Zeng 2013: Kamal *et al*. 2016) and multiple linear regression as one of statistical tests (Zeng, 2013: Choudhury and Hartman, 2015) for a measure of home buyers' purchase decision.

Zeng (2013) has conducted a research for a similar investigation on how home buyers in Wuhan (one of the city in China) will be influenced when they make decision. He believes that survey is one of the effective ways to collect data; the use of probability samples can help to achieve the goal and ensure the result more generalised; questionnaires are used to obtain primary data with a maximum reliability; 7-point Likert Scale is useful approach to scaling responses in survey research, offering more options than a five-point scale and ending up with higher degree of reliability. The general purpose of multiple linear regression is to assess the importance of all independent variables (Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects) in relationship with the dependent variable (Purchase Intention) at a significant level.

3.1 Methodology

The aim of the survey was to create data structures which described the existing characteristics such as their incomes, education levels, positions, marital status, attitudes, intentions, preferences, purchase behaviours and evaluations of current marketing and communication strategies of such a target group (Hair *et al*. 2004, p. 63). The study looked for answers to who, what, when, where and how questions related to the scenario.

Descriptive studies summarised and finalised information about the needs of luxury homeowners, home seekers and changers, target markets, environmental factors, or other phenomena. For example,

there is a growing trend among luxury properties to conduct studies that describe buyers' attitudes, feelings, intentions, and patronage behaviours toward the luxury properties as well as toward to the developers.

The method of attitude measurement was used for the prediction of actual observed behaviour. Research design started with quantitative questionnaire as an instrument which provided a base for identification and classification of all key issues and concepts. Instrument of scientific attitude measurement was targeted to predict the actual observed behaviour. The affective component of attitude was to detect the respondents' feelings or emotions toward few independent variables (Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects), and the cognitive component of attitude reflected the respondents' knowledge and beliefs about these four variables. The behavioural component then realised a possible positive relationship and future actions of an individual toward an attitudinal behaviour – the dependent variable (Purchase Intention).

Consumer Psychology is the study of human responses to products or services related their opinions and experiences and even expectations. Many visceral responses could be vital, including beliefs, judgements, emotions, propensities, purchase decisions and consumption patterns. The goals of the study are to describe, predict, influence and interpret consumer responses by using a scientific method.

Here are the work flow of methodology of the study:-

3.2 Data Collection

Research is a viable approach to a problem only when data exist to support it (Leedy and Ormrod, 2014, p.79). Data collection is a process of getting, gathering and measuring information on variables of area, and from all the reliable and relevant sources to seek answers to the research problem, test the hypothesis and evaluate the outcome and possible anticipation as a matter of study. Data collection

methods can be divided into two categories which are secondary methods and primary methods of data collection.

3.2.1 Secondary Data

Secondary data are all existing and available details which help to set the background base for any new study. This sort of helpful information can be gratis or economical, time and effort-thrifty. Data can bring readers to understand what the problem will be, and provide some hints and tips about all relevance. On the other hand, the grounding data can also inspire the researcher to provide all prior and supplementary data to support the framework of research, and then combine with primary data for analysis. The use of secondary data can help to pre-set a rationale, make out what are the gaps and theme, fill in the concavity of deficiencies, turn down blind spots, reinforce the background dressing of research, present coherent and convincing results, and partially help to substantiate the problem, suggest the hypothesis and answer the research questions. Therefore, this sort of data can be useful but cannot be negligent. In the scenario, any authoritative data, whether from governmental bodies or renowned institutions or even prior research can definitely help both the writer and readers understand the phenomenon, and enhance a clearer focus on reality.

In this study, classified secondary data (statistics of population, economics, housing prices and historical background) were downloaded from various governmental departments such as Land Registry, Rating and Valuation Department, Census and Statistics Department, Hong Kong Monetary Authority, professional and the largest property agencies and financial bodies. In addition, other useful data (news, concepts, ideas, theories and empirical results) were obtained from the sources of media bodies, academia and scholars to prevent from any ambiguity. All valuable details are shown in various parts of this thesis. They could help to explicitly explain the market trend, statistics, transactional values, historical phenomenon, homebuyer digestibility and price changes in different

years. All the information would be the base information to conjunct with survey data for a combined analysis.

According to Saunders *et al*. (2009, p. 262), **Multiple-Source Secondary Data** can be based entirely on documentary or on survey secondary data, or can be a combination of the two. They can be area based or time-series based or whatever they fit for the purpose. In order to minimise the disadvantage, an evaluation of the use of appropriate secondary data needs to be done to ensure their availability, accuracy, relevance and feasibility. The use of those data is to aim at

1) showing the whole economic pictures and market operations in Hong Kong residential market. They are all Multiple-Source Secondary Data, which portray the market trends and background of phenomenon.

2) showing the theoretical templates of behavioural aspects and value-perception which were previously conducted by various academia and scholars. They are all Documentary Secondary Data, which illustrate theoretical measures and all similarities and relevance of all empirical attempts.

3.2.2 Primary Data

Survey questionnaire is one of the most common and effective ways of data collection, which consists of a set of demographic details and instrumented questions related to the research problem. This method is straightforward in case the data are to be obtained from the targeted population. It normally includes the prescribed set of questions, either open-ended or closed-ended, which the respondents are invited to provide answers on the basis of their belief, perception, knowledge, experience and even expectations.

The method of primary data collection in this study can be used of survey as a source. Primary data are all new and valuable details which can be obtained from probability respondents, and reflected the truth in reality and represent the majority of population.

According to Sauders *et al* (2009, p. 363), choice of questionnaire will be influenced by several factors related to your research question(s) and objectives, and in particular the:

- Characteristics of the samples
- Importance of reaching a particular type of person as respondent;
- Importance of respondents' answers not being contaminated or distorted;
- Size of sample for an analysis
- Types and numbers of question for collection of data;

In order to work out a feasible study, a quantitative survey needs to include various aspects of relevance which are sampling frame and size; demographic information, instrumentation, ranking scale and statistical tests for data analysis. The ultimate data will then be combined with secondary data for an inference.

3.3 Sampling

Sampling, as it relates to research, refers to the selection of respondents, size, and/or protocol to be investigated. Creswell (2009, p. 148) suggests that when selecting process for individual, stratified random samples can be used to reflect the true proportion in the population of individual's with certain characteristics. However, the sample plan in the study was based on three types of stratified random respondents who were willing to provide their demographic information, and express their opinions, feedback and answers to the survey question.

3.3.1 Sampling Frame

With regard to the survey for primary data, the respondents contained of three groups of stratified people who had life experience and case schema as well as expectation. The purposeful samples helped the researcher collect the public perception, envisage and reflect the problem, and eventually answered to research question.

According to Adams *et al.* (2007, p. 89), the cluster (multistage) sampling consists of several number of clusters which are characterised by heterogeneity in between and homogeneity within. This sort of sampling is used for a variety of purposes for large sample survey, and aimed to respect to the time and money allocated for such a particular study. The respondents are relevant and reliable, as the permits random collection at different phrases. It can be said as three-stage cluster sampling which divide into three groups of respondents.

The first group was set to be 70 of prospective buyers who did visit sales offices and seek for this type of properties. This group could provide valuable information about why they went to the places and showed their interests in properties. This target group of respondents were prospective buyers who could have *Purchase Intention* and even expectations, and helped the study acquire all accurate data, and explained their influences for a purchase of luxury residential property.

The second group was set to be an equal quantity of people who were previous buyers or residents who live in the luxury residential areas. This group of respondents could express their needs as well as their want-satisfying requirements when they considered a new purchase of luxury property. They were the type of homebuyers having special knowledge and buying experiences, and could be ideal representatives of the population who could reflect their psychological mind-sets and insights. This 2nd group of respondents were residents in luxury residential areas and were potential buyers who

should have their buying experiences, and have future expectations for the luxury type of residential properties.

Besides, the third group was set to be 60 respondents, and referred to what the LSBU University's Committee suggested and recommended "*all parties purchasing the home are included in the study to ensure the researcher gains all the perspectives of why the buyers are purchasing that particular accommodation*" (Appendix 18, p. 238) at the time of research approval. This group of people were possibly home-seekers and homebuyers who should have their buying demands and expectations for their homes, even though they were not a certain type of conspicuous consumers who could afford luxury residential properties. However, their role could be the influencers in the population and could represent useful from this group of informants.

As noted previously, data was collected from different areas in order to make the samples as representatives and inclusive as possible. While it turned out that the different sample areas did not have very different types of responses to the survey, this need not have been the case. Therefore, the samples which were not meaningfully different were able to be combined so that the sample was larger and the analysis more lucid and robust. Likewise, there were no differences between data gathered in the pilot stage from data gathered in the data collection phase (no questions were changed and no procedures were altered), and therefore such data could be included with no loss of data integrity.

According to Sauders *et al*. (2009, p. 231), multi-stage sampling relies on a series of different sampling frames. In order to reduce the impact of using smaller and smaller sub-groups on the representativeness of the sample, stratified sampling techniques can help to refine to take account of the relative size of the sub-groups by adjusting the sample size for each sub-group. As above, a

probability sampling method would need to be employed at each stage (Bryman, 2016, p. 179) and the study selected three clusters of group, and listed all strata of the population for those selected sub-groups. This provided considerable thrift in time and money, and enhanced a better generalization within the representative group of population. .

The attitude survey was heavily based on "Implied Invitation" and an intercept survey of a certain quantity of these three groups of buyers from across the luxury residential areas, sales offices and development sites, and reflected their attitudes and behaviours of the High-Net-Worth Individuals (HNWIs) who had strong interests in this category of products. The sampling size of this group was calculated as per Yamane (1967, p. 886), and referred to various literature for reference and guidance.

3.3.2 Sample Size

It is quite arguable that a sample size needs to be used with a large group of people without evaluating the appropriateness of sample recruitment. Is the sample size larger and the result is better? Wade and Tavris (2011, p. 38) argue about the standard practice of a larger sample size and suggest using a proper representative samples for a better questionable results.

As per the Yamane (1967, p. 886), sample size can be referred to his simplified formula which is

$$n = N/1 + N(e)2$$

In the above formula, n is the required sample size from the population under study; N stands for the whole Hong Kong wealthy people population 184,700 (Business Wire, 2017) that is under study; e is represented the sample error which is commonly 0.1 or 0.07 or 0.05

To work out the sample size (abbreviation of n), following equation needs to be considered as

$$\text{Required sample size} = \frac{184{,}700}{1+184{,}700\ (0.07)2}$$

Therefore, a sample size of 204 respondents out of the entire population of 184,700 respondents would be the lowest acceptable number of responses to maintain a 95% confidence level. The level of precision (i.e. sample error) will therefore set to be 7%.

In addition, the determination of sample size was also based on reference from other scholars. As suggested by Wiedmann *et al.* (2009), sample size was based on 80 homebuyers who were homogeneous luxury consumers. Their rationale was that their study had encompassed a similar multidimensional model which consisted of convergence of luxury value: Financial Value, Functional Value, Individual Value and Social Value, and illustrates a conceptual framework with a conglomeration of investigation. Particularly of interest in this study was the correlations between perceived relative influence in the Purchase Intention and an agreement regarding perceived values as independent variables. The methodology proposed for the study was applicable in exploring similar aspects in other contexts and should be specifically used for a study of consumer behaviour. In addition, Crompton (2001) used of approximately 100 residences to investigate the impact of parks on property value, and simultaneously, Hennigs *et al.* (2012) referred to 100 university students to explore the luxury value-perception. Haddad, *et al*. (2011) took 120 convenience samples who bought apartments in different areas in Jordan, Kamal *et al*. (2016) finalised with 153 random and convenience samples in Bangladesh to investigate of the market factors that impact homebuyers' buying attitude towards apartment buying. Further, Fierro *et al*. (2009) recruited 175 samples to investigate the housing attribute preferences. In order to achieve more accurate data and stick to a more convincing believability, final sample size was finally adjusted to 200, which was very close to what a similar study, that used of a sample size of 204 (Troung *et. al.*, 2008). Furthermore, an identical pre-test of a pilot study for 35 samples was done in the middle of July to End of July, 2016 and its result logically revealed all positive correlations between independent and dependent variables.

Therefore, samples size was appropriately and ultimately set to be 200 informants, as per the Yamane's formula and the determination of empirical research of Troung *et al*. (2008).

3.4 Demographic Information

The demographic table consists of various personal data which will be used for analytical purpose. Demographics are characteristics and representatives of a chosen population. Characteristics such as Gender, Nationality, Household Income, Position, Industry, Living District, Marital Status, Number of Children and Buying Inclination are all typical contents of personal details that can be used in survey.

The use of demographics is heavily based on the topic of this study, and its rationale of the set of variables is to measure who the respondents are, what they are earning and working, where they live, how are their family status, and present living conditions, and whether their inclination to purchase properties in coming 24 months or not. These details are helpful to provide a statistical measure.

"Gender" is used to measure a brief information. "Nationality" is used to refer the portion of respondents who are local people or who come from other countries. Different races of people will have different experience, culture and expectation.

More importantly, several key factors, within their socioeconomic status, such as their earning power and working positions can lead to reflect their financial background and affordability, which can be different than someone who work for other professions. Therefore, their professions and working industries need to be included in the set of variables. Also, their qualification details can help to reveal their environmental conditions in their workplaces.

With regard to household composition, Marital Status (whether married or divorce) may respond to questions differently than those are still single. Singles are singles having not yet married, and are

supposed not having children. Respondents who are married may react the questions differently than those are divorce. Respondents who are "divorce" can have no children, or live with their children together or can be alone. In the Chinese conception of family, continuity of wealth, provision for next generations and so on, divorce is a highly charged concept. The inclusion of marital status, including divorce was therefore justified because it allowed for an analysis of results that could have identified whether divorce had an effect on luxury property buying decisions. In the end it was not found to have such effects. Therefore, household composition needs to be included in the questionnaire.

Furthermore, demographics were traits of the respondents who had participated in the survey. Most of them hold impressive background besides wealth. The acquisition of data would be typically be used in any survey and use for analysis purpose. The use of information helped the research to allocate response data to the meaningful data and eventually interpreted them as part of the conclusion.

The prescribed items were based on this topic which revealed the characteristics of the respondents. On the surface, demographic data could appear as a more important source as the response data were came from the chosen samples. Descriptive statistics were used for presentation of the background of respondents and its summary statistics were represented by graphs, tables and bar charts as elucidation.

Gender	Male ___ Female ___
Nationality	Hong Kong _____ Others (Please Specify) _____
Household Income	HK$40,000 – HK$60,000 _____ HK$60,001 – HK$80,000 _____ HK$80,001 – HK$120,000 _____ HK$120,001 or above _____
Education	Primary ___ Secondary ____ Undergraduate ____ Postgraduate ____
Position	Managerial Position _____ Professional _____ Self-Owner _____ Other _____
Industry	Manufacturing _____ Exporting _____ Finance _____ Civil Servant ____ Professional _____ Others (Please Specify) _____
District you live in	Hong Kong Island _____ Kowloon _____ New Territories _____

Marital Status	Single ____ Married _____ Divorce _____
No. Of Children	1 – 2 ____ 3 + _____ Nil _____
Do you	☐ Own or ☐ Rent or ☐ Lease Property?
	Will you look for property in coming 24 months? ◉ Yes ○ No [Please circle either choice]

3.5 Research Instrument

In order to conduct the research properly, the content of validated instrument helps to observe and investigate whether the independent variables have correlations with dependent variable or not. The objectives of structured survey with home-seekers were to collect their genuine needs of what a luxury residential property would be, and their thoughts or views to comment on why they pursued all key ingredients of value. They definitely provided all valuable and practical insights on what they had experienced before, and how they thought, what they behaved a blueprint of such phenomenon.

In the literature, there are several instruments in measuring perceived values. For instance, Hennigs *et al*. (2012) developed a measurement scale to portray how people pursued time and money on luxury brands, styles, utilities, rarity and exclusivity. Shukla (2012) pointed out that all key essentials of personal and interpersonal values such as achievement, wealth, prestige, status, ownership, and emotional and quality value. Wiedmann *et al*. (2009) reiterated all perceived values within the realm

of Functional, Interpersonal and Personal Values. Wang *et al*. (2011) role-played all necessary ingredients of the luxury items. Hoffmann and Broekhuizen (2009) bought out all very good reference of all investment questions; Wong and Cheung (2013) implied all relevance of the Purchase Intention. 39 items in the structured questionnaire were adopted from eight validated sources (Hennigs *et al.*, 2012; Shukla, 2012; Wiedmann *et al*., 2009, Wang *et al*., 2011, Hoffmann and Broekhuizen, 2009, Thomas, 2013, Hanzaee *et al*., 2012 and Thomas, 2013) which have been published, tested and generally accepted by scholars. This practice of use all existing instruments can help to describe the established validity and reliability obtained from previous adoption of the instrument (Creswell, 2009, p. 149). The draft of the questions was sent to supervisors for guidance and approval, and was initially used for pilot study and research rehearsal, prior to application. 39 scale items of the validated instrument were presented to sufficient purposive informants who reacted their responses by using 7-point Likert format, interpreting the level of importance or agreement, and implying the composite mean score for *Purchase Intention.*

3.6 Likert Scale - An Attitudinal Measurement Scale

It is arguable that the Likert Scale is an ideal and legitimate survey technique. Some of the disadvantages of Likert scale questions are that respondents can lie in the questionnaire, and the lack of discrete choices means that their views remain ambiguous through a set of questions. Informants may also choose the middle number in order to make the process easier and avoid extreme values. Also, it can be argued that this ranking scale fails to measure the true attitude from the respondents.

Russell and Bobko (1992) and Owuor (2001) consider the possibility that Likert type scales used to obtain dependent responses in an interactive model may result in a substantial loss of information. Jamieson (2004, p. 1218) says "*treating ordinal scales as interval scales has long been arguable*" and the intervals between the scale values are not equal (The Analysis Factor, 2018) and therefore,

these sort of "rules" are commonly ignored by the authors, including some of the scholars who have published in medical education. Yet even though some authors discuss these issues indicate the issues, or say something about the impact on results, they may not provide clear evidence about assumptions of interval status for Likert data (Jamieson, 2004).

A common question about the use of Likert scale data involves statistical procedures with interval data, Knapp (1990), as cited by Jamieson (2004), finds some merit in the argument that sample size and distribution are more important than the level of measurement in deciding whether it is proper to turn into parametric statistics. According to The Analysis Factor (2018), Likert Scale items, through proper statistical procedures, can have a role of predictor in regression. A typical Likert scale has 5 or 7 point that represent two response anchors: the degree of importance and agreement, such as the most negative response of 1 = "Not at all Important" + "Strongly Disagree" to the most positive response of 7 = "Extremely Important" + "Strongly Agree". Their value can be set to be set at 1 to 5 or 1 to 7, and function as a set of ordered categories.

What is researcher meant to do when faced with conflicting opinions about data gathering techniques and analysis? One response is to turn to references that address these questions such as The Analysis Factor (2018), which recommends:

1. Become familiar with the difference between a Likert type item and a Likert Scale. A true Likert scale, as Likert (1932) defined it, is a composition of many items that all measure the same attitude. When people use the term Likert Scale to refer to a single item, confusion and debate about the uses Likert Scales will occur.
2. Be careful of the consequences of using the procedure on Likert scale data from the research design. The truth is that everyone uses it without sufficient consideration or explanation.

3. It is imperative to use at least 5-points (7 is better), so that the underlying concept can be seen to be continuous, and that there be some indications that the intervals between points are approximately equal. Make sure the other assumptions (normality and equal variance of residuals, etc.) be met.
4. Test the scale by using iterative runs for the nonparametric procedure as well. This makes any conclusions more persuasive, if the results are similar between questions.
5. Tests of significance need to be strong before making any claims based on data. One approach is to only use high significance levels, like .01 or even .005, instead of .05. Such p-values can offer reassurance that the results are significant, even if the result estimates are slightly biased. Since there is ongoing discussion about the use and interpretation of p-values (as there is for Likert scales) it is better to err on the side of caution by setting high significance levels.

For the purposes of this research, the Likert Scale is taken as an ordinal psychometric measurement of attitudes, beliefs and opinions (Field Research in Organizational Psychology, 2011). An ordinal scale is able to categorise information, it arranges objects based on their magnitudes, and the data are capable of being ordered (Zeng, 2013). According to Joshi *et al*. (2015), psychometrics have two dimensions which are used to a) formulate approaches (theoretical constructs) for measurement of instruments and their validation, which aim to measure human intelligence and personality, and b) to formulate operational assembly of abstract parameters for measurement of ideas, concepts, issues and experience, which aim to measure those contents (items) in such scales/models.

Likert Scales normally involve having respondents select an appropriate number to express their level of agreement (Dawes, 2007). In each question, a statement was presented in which an informant might choose a degree of agreement or disagreement in a multiple choice type format (Field Research in Organizational Psychology, 2011).

As early as the last century, Likert (1932) advocated a measurement of Human attitude which tapped into the study of cognitive and affective components of attitudes. His scales helps to avoid extracting a simple YES or NO answer from the respondents, but rather allows for degrees of opinion, and even no opinion at all. One big advantage of such quantitative data is that the summary output can be analysed with relevance and for significance testing (McLeod, 2008).

In consumer research, respondents may be invited to express their attitudes and perceptions of products. Many people argue about the use of 5- or 7-point or even 10-point scale. Dawes (2007) confirms that there are some differences between the use of 5- and 7-point scales and the use of 10-point scale. He finds that 5- and 7-point can easily be rescaled with the resultant data being quite comparable. Zeng (2013) and Joshi *et al*. (2015) explain that 7-point provides more varieties of options, which in turn increase the probability of meeting the objective. Finstad (2010) also compares the use of 5-point and 7-point scales and ultimately suggests that 7-point scale provides more accurate answers.

An advantage, which quoted from Jamieson (2004), is the additional use of ordinal data that can employ the “Median” or “Mode” to measure “Central Tendency”, and also calculate the “Mean”. The results of all 39 items in this research can therefore be interpreted as verbal statements, which help to reflect the middle numbers, average numbers and high frequency numbers, and eventually help to reveal the ranking of each perceived value, effect and the most important component.

Boone and Boone (2014) discuss how to analyse Likert data and explain that the numbers assigned to Likert-type items allow an expression of a "greater than" relationship. McLeod (2008) says that another advantage is to help to offer anonymity on self-controlled questionnaires which reduces social pressure, and thus likewise minimizes social desirability bias. In this research 39 scale items of the

validated instrument were presented to 200 respondents who expressed their responses using a 7-point Likert format, implying the composite mean score for *Purchase Intention.* According to Vigias (2006), the Likert Type Scale represented two response anchors to plug in this study, and the most negative response would be a numerical value of 1, whilst the most positive response would be a numerical value of 7.

With reference to other scholars (i.e. Anastasia and Suwitro, 2015: Kamal, *et al*., 2016: Ratchatakulpat *el at*., 2009), they all used 7-point Likert Scale for a measurement of property buying attitude and behaviour as well as preference, and successfully came up with the outcomes for their dimensional purposes. Therefore, in order to run a similar study in the Hong Kong context, 7-point Likert Scale was adopted.

3.7 Descriptive Statistics and the Use of Statistical Tests

This part is to explain the characteristics and application for descriptive and inferential statistics. Report of statistics can play two major roles which can help the researcher to explain the data, and also draw from the data set for an inference and conclusion. Data can eventually prove the results of the research, and corroborate the feasibility of study.

Descriptive statistics would be presented to reveal all respondents' demographic information such as gender, nationality, Household Income, Educational Level, Work Position, Work Industry, Living District, Marital Status, Number of Children, Ownership Status, and their intention for a purchase of residential property. The majority and minority of the group of 200 respondents could reflect the nature of all obtained information from the research, and explain by several graphs and tables.

When reporting the numerical data, Median, Mean and Mode for 39-item instruments would be shown to illustrate the measures of central tendency within the data set, reflect the ultimate results of each

effect which was obtained from the survey. The objective was to represent the useful results for detection of kinship between each variable, and prove the most significant perceived value and effect in scenario.

In addition, a simple regression method was used to measure the individual relation between the independent variable and dependent variable. Subsequently, Multiple Linear Regression was also employed in the use of measurement for social, psychological and behavioural science disciplines. It is a type of statistical analysis which is broadly applicable for psychological matters and valuation of residential properties. Multivariate Linear Regression (an abbreviation of MLR) could address the extent of the research question.

Koop (2005, p. 92) uses it to explain a house price which is heavily based on the relationship with the size of the property(X1), the number of bedrooms (X2), the number of bathrooms (X3) and the number of storeys (X4). It can be said that the dependent variable of the house prices is correlated with various independent variables, X1, X2, X3 and X4. In application of the use of such techniques, this study of the Purchase Intention (dependent variable) showed a similar background of analysis.

According to Isakson (2001), analysis of the specifications of a multiple regression model emphasizes three fundamental areas.

1) The choice of the dependent and independent variables.
2) The functional form of their relationship between these variables.
3) The influential level of statistical significance of the independent variables.

In practical measurement, the use of Multiple Regression describes the relationship between several explanatory variables (Independent Variables such as Functional Effects, Interpersonal Effects,

Personal Effects and Investing Effects) and the response (the correlation with dependent variable = Purchase Intention), and simultaneously separates their effects on the response and reveals which variable(s) is or are really matter (Stine and Foster, 2011, p. 573).

According to Alexopoulos (2010), statistics are used for data reporting and inference. Inferential statistics can be used to answer questions, to test hypotheses (formulating the alternative or null hypotheses), to generate a measure of effect, typically the influential power, to reveal associations (correlations) or to conclude the relationships (regression) within the data and in many other functions.

The random error was not preventable in the process. One way to explain was to conclude the p-values for a range of possible parameter values (including the null). The range of values, for which the *p-value* exceeds an indicated alpha level (usually < 0.05) is named as confidence interval. An interval estimation procedure is heavily based on 95% of confidence level, producing limits that contain the true parameters.

The aim was just to extract from raw data as the accurate estimation. One of the most important questions - were there any statistical correlations between a response variable (Y), also called it as dependent variable (Purchase Intention) and explanatory variables (Xi), and also called them as independent variables (Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects)? A choice to answer the research question was to apply regression analysis to confirm the extent of their relationships. In this study the use of multivariate linear regression was to estimate the coefficients of the linear equation, involving four independent variables that best predicted the value of each dependent variable which should be quantitative.

The quantitative method was used of Multiple Regression which is one of the useful statistical techniques to analyse few explanatory variables to predict the outcome of a variable. This could be one of the inferential statistics to detect the relationship between explanatory and response variables. This analysis was used for analysis of buyers' effects and perceived values. Statistical tests were used for finding of home owners and seekers who lived in Hong Kong Island, and were used to compare with their opinions. Use of statistical software, Multiple Linear Regression was modelled the correlations between these independent variables (Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects) and associated with the dependent variable (Purchase Intention), and eventually reflected answers of the research question and 5 hypotheses, and checked, verified and developed patterns, themes and relationships in the data.

In general, Multivariate Linear Regression can be used to measure two general families of techniques which are a) rank ordering individual predictors' contributions to an overall regression effect or R Square, and the other family contains partitioning R Square into the unique and shared variance contributions of the independent variables. These two families can definitely help to assess **Direct Effects**, **Total Effects** and **Partial Effects**, which quantify the contribution of each independent variable to the regression equation a) when measuring in isolation from other variables; b) when the variance contributions of all other predictors in the regression model have been accounted for; c) while accounting for contributions to regression models in a specific subset or subsets of the remaining variables (Nathans *et al*., 2012). The final outcome was a reflection of 1) a definition of each measure; 2) a highlight of each measure's advantage and limitation; 3) differentiation of each relationship and significance between independent and dependent variables; 4) the importance of each variable, and the extent of each independent variable influences the dependent variable and; 5) an answer to the research question.

3.8 Ethical Issues and Data Management

Booth *et al.* (2008, p. 275) explain that "*a collaborative effort between the readers and writers is to find the best solution to share problems, then the challenge is to find ways to create ethical partnerships to make ethical choices that can help to build ethical communities"*. What about the treatment of respondents who are willing to share their views and provide answers to the problems? The ethical issues seem to be fundamental and essential in every research. The moral principles consists of few professional Codes which are ***Autonomy***. ***Beneficence***, ***Non-Maleficence*** and ***Justice***. According to London South Bank University (2011), the major ethical considerations are (1) **Autonomy** is to imply that everyone can have the right to think thoroughly and act freely to join, continue or discontinue or even withdraw from the survey without any promise or panic. This includes researcher making sure that participants are fully informed of the theme, respecting their decisions and protecting their privacies and content of survey. Whether the attitudes of respondents were enthusiastic or haughty or tepid, the study would strictly be done and adhered to this rule, and let all involved respondents freely join the survey and express their views.(2) **Beneficence** is to purport that any researches can create value to any individuals, groups and communities or create something to the knowledge base. Every participant would not be offered with benefits. The survey study would not offer or grant any benefits or pecuniary values to respondents. (3) **Non-Maleficence** can be explained that all involved parties, whether researchers or respondents will be protected all the time, and minimized and prevented from any harms and associated risks. All involved parties of the study will not experience or conclude any harms or maleficence. (4) **Justice** means to treat all involved parties under the same conditions, and respect all human rights in scenario. The execution of the study treats everyone equally. In addition, the onus of researcher is to make sure that possession of all data is used for learning purpose, investigation and interpretation. All data, whether electronic data or

paper format, collected from the survey study would be kept and stored confidentially. The respondents could exonerate from any responsibilities of verbal mistakes/or errors when completing the survey. Therefore, the context and topic of the research has been deliberately considered, and thoughtfully designed to prevent any traumatic experience and uncomfortable feelings from participants. Likewise, questions related to sensitive, painful, humiliating and scary experiences should not be raised. In addition, (A) Informed Consent, (B) Confidentiality, (C) Security and (D) Data Storage and Security, were the compulsory ethical procedures in the study. As implied, participants were well aware of (I) the purpose and background of research, and (II) the benefits and risks of the survey participation. Respondents could freely express their consent before they decided to participate in the data collection. Invitation Letter, Participant Information Sheets, Informed Consent Forms and Survey Questionnaire (Appendices 13, 14, 15 and 16, p. 226 - 236) were used in this study to ensure participants fully perceive the purpose of research and the way of data collection (Bricki and Green, 2007). As for the issue of confidentiality, the conduct of survey was adhered to an anonymous practice, and the anonymity of their data was used to ensure privacy (Leedy and Ormrod, 2014, p. 109). Besides, security is a must to (1) ensure the safety of participants, and (2) use of a suitable place or area with appropriate settings for a conduct of survey (Bricki and Green, 2007). With regard to data storage and security, three issues need to be considered, i.e. (a) how data will be and kept and stored, (b) who can access the data and (c) how data can be accessed. There are two types of data, which are (i) the Hard Copies and (ii) Electronic Data (i.e. identifiable data and anonymous data), such as survey responses, and worksheets (if any) must be kept in locked cabinets that can be accessed within research team or authorized persons. According to the Data Protection Act 1998 in Scotland, England, Wales and Northern Ireland, identifiable data must be password protected or encrypted. These data can only be accessed within research team. In case of anonymous data,

participants' prior consent are needed before information can be released to share with other researchers (Data Storage and Data Security, 2015). The Electronic Data and Hard Copies would be kept and stored for 5 years after the award of the DBA degree, would eventually be destroyed via Leader Data Security and Management Company where their data destruction service would be used to comply with US Department of Defense's criteria and would also be recognized by the Hong Kong Environmental Protection Department.

With regard to the ethical issues, the content of ethical proposal was agreed and initially approved by the Chair of Ethics Panel of London South Bank University on 14th July, 2016 and officially approved by the University (Appendix 19, p. 239) on 7th September, 2016.

3.9 The Importance of a Pilot Study

Hassan *et al*. (2006) emphasize that the crucial issues of pilot study are to decide the feasibility of the research protocol and recognise weaknesses in a study; test whether the study instrument(s), is suitable for intended questions, whether the layout is comprehensive, and the groping validated tool is ideal for the target population; verify the appropriateness of data collection using the validated instrument (questionnaire); test the data collection process – processing time to conduct a set of questionnaire, and the subjects' willingness to participate in the study; test data entry, interpretation of the items, and appropriateness of statistical tests; possess preliminary data for the primary outcome measure, in order to reckon and testify the appropriate sample size for further studies.

The attempt to proceed with a pilot study before beginning the fieldwork can be a difficult one. Sometimes it is possible to neglect a step, especially if the research protocol has been reasonably well planned. However, pilot study can help to evaluate the feasibility of several crucial components, which can be divided into three major aspects:

- Process: It is an assessment of the feasibility of the key steps in the main study (e.g. sample eligibility and recruitment rate)
- Resources**:** It can be a prediction of the time consumption on each participant (e.g. the approaching time and time spent for the whole survey process). Anticipating problems with time and resources that may occur during the main study (e.g. spend how much time for the entire study will take to be completed; evaluate whether use of some equipment will be feasible or whether the form(s) of evaluation adopted for the survey study are good).
- Management**:** Assessing problems with data management and protection, with the participants involved in the study (e.g. whether there were problems with acquiring all the data/or information needed for possible or future analysis; whether the obtained data are useful, and whether data from different groups of respondents can be analysed together).

3.10 Summary

Research Method showed a pure quantitative method in table # 7. This chapter covers the research approach and design of the research, its methodology, data collection, research instrument, sample size, rating scale, statistical tests, ethical issues, data management and the importance of pilot study. The Chair of Ethics Panel of London South Bank University approved the survey practices and progress as well as framework of this survey study.

Philosophical Approach	Epistemological and Deductive Approach
Methodology	Quantitative Method
Form of Data Collection	Survey Questionnaire
Number of Questions	39 Survey Questions
Instrument Sources	Eight Literature from Scholars
Secondary Data	Governmental Statistics, News, Concepts, Ideas, Theories and Empirical Results
Primary Data	Demographic Information and 39 Survey Questions
Measurement Scale	Likert Scale (from chosen values of 1 – 7)
Sample Size	200
Sample Sources	The first group would be the majority of prospective buyers who would visit sales offices and seek for this type of properties. Another group would also be a large portion of people who are previous buyers or the residents who live in the luxury residential areas. The third group could be referred to what the Committee suggested and recommended "*all parties purchasing the home are included in the study to ensure I gain all the perspectives of why the buyers are purchasing that particular accommodation*".
Ethical Issues	Autonomy, Beneficence, Non-Maleficence and Justice; Data Control, Storage and Management
Pre-Test	Pilot Study (35 Respondents)
Survey Areas	Pokfulam, Repulse Bay, The Peak, Mid-Level, Central, Wanchai, Happy Valley and Tai Koo Shing (Hong Kong side); Homantin, West Kowloon and Hunghom (Kowloon side); Shatin and Tai Po (New Territories)
Survey Period	15th July – 31 August, 2016
Rating Method	Likert Scale from chosen numbers of 1 - 7
Descriptive Statistics	Demographics, Median, Mean and Mode Values
Statistical Test	Simple Regression and Multiple Linear Regression
Statistical Presentation	Descriptive and Statistical Outputs

Table # 7 showing all relevance of Research Design and Approach

Chapter 4: Data Analysis

Data analysis was a research practice in which the raw data were obtained from respondents, and organised for an analysis process and interpretation purpose. Raw data in this study were obtained from a fieldwork by using a format of 39-scale of survey questionnaire, and having response from 200 respondents.

Based on the structure of survey design, the data reflected the results of how participants responded to the relevant answers within the pre-set boundary. Informants also expressed their demographic information with a helpful picture and useful details such as their social strata, family structures and ownership status. Data Analysis contained of two parts which would be an integrated portrayal to report 1) descriptive statistic for demographic information, the Median, Mean and Mode of 39 questions, and 2) the results of both Pilot Study and Research Fieldwork in the statistical layout of Multiple Linear Regression. 200 samples came from various areas within Hong Kong and answered the survey questionnaires in the period of 15th July to 31st August, 2016.

The places of acquisition of data collection were Pokfulam, Repulse Bay, The Peak, Mid-Level, Central, Wanchai, Happy Valley and Tai Koo Shing (Hong Kong side); Homantin, West Kowloon and Hunghom (Kowloon side); Shatin and Tai Po (New Territories) where the people were willing to join the survey study at the stipulated time period. The proportion of a quantity of 3 types of respondents were set out in the last chapter.

4.1 Results of Pilot Study

As prescribed, 35 samples were invited as respondents and used to be participants for a rehearsal of fieldwork. The result was a preliminary test and was deemed as part of fieldwork and then combined

with the rest of data from the 165 samples. This could be a worth attempt and rehearsal as a blue print of field work.

As outlined in the Research Approach area, a pre-fieldwork was done from 15th to 30th July, 2016. The study protocol was adhered to a small number of samples, an identical survey questionnaire was distributed to prescribed respondents for a data analysis. The pre-test was based on four independent variables (Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects) and the dependent variable (Purchase Intention), and was randomly referred to three different sources of prescribed samples, which were set out in the Chapter 3.

35 respondents answered the survey which the structured questionnaire was used to test multiple hypotheses and react to similar research question, and of that number, 60 per cent of samples were men and 40% were women. Among the respondents, the majority of family size was 1-3 members; 65 per cent owned properties, 25 per cent were tenants and the rest of respondents were potential buyers.

A linear regression was conducted for trial feedback. The *Functional Effects*, *Interpersonal Effects*, *Personal Effects* and *Investing Effects* were statistically significantly correlated to the Purchase Intention ($F = 11.483$, $p < .05$). Purchase Intention was found positively correlated to Functional Effects ($\beta = -0.2473$, $p < .5$), Interpersonal Effects ($\beta = 0.1633$, $p < .5$), Personal Effects ($\beta = 0.2329$, $p < .5$) and Investing Effects ($\beta = 0.4298$, $p < .5$). Investing Effects is the strongest one, then Functional Effects, Personal Effects and Interpersonal Effects. The adjusted R Square of the whole model was 55.22 % meaning that a significant portion of the variance of the Purchase Intention could be explained by these four effects. The Pilot results are shown in appendix 6a (p. 206), and also proved

that while homebuyers are pursuing luxury residential properties, the practical features of these four effects are important for their preference and choices.

The examination of the correlation between Purchase Intention and four variables was used in the pilot study and all independent variables were significantly correlated with the dependent variable. This was coherent and consistent with all 39 validated instruments of 8 literature sources, coming from Hennig *et al*. (2012), Wiedmann *et al*. (2009), Wang *et al*. (2011), Hoffmann and Broekhuizen (2009), Thomas (2013), Hanzaee *et al*. (2012), Shukla (2012) and Wong and Cheung (2013), which were mentioned in section 3.4 Research Instrument or Appendix 5b (p. 203 - 205).

The rehearsal of pilot study was used to attempt of statistical test and the feasibility of a preliminary result. The findings for the relationships between four independent variables (Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects) and the dependent variable (Purchase Intention) seem significantly correlated, and the Convergence of Perceived Value as well.

An additional relationship was conducted by simple regression about the Convergence of Perceived Value was statistically significantly correlated to the Purchase Intention ($F = 20.557$, $p < .5$). Purchase Intention was found positively correlated to Convergence of Perceived Value ($\beta = 0.57428$, $p < .5$). The adjusted R Square of this test was 36.516 % meaning that a significant portion of the variance of Purchase Intention could be explained by the sum of these four effects, and revealing the result which was met to the pre-set objectives and fully realized and supported all five hypotheses. The result is shown in appendix 6b (p. 206), and reflected that it was a smooth and auspicious pilot study. All invited respondents were very co-operative, helpful and willing to provide whatever they were asked in the survey. The time taken by the researcher to explain the study and possess consent from the participant was about 3 – 6 minutes, and the whole survey time for each participant was about 25 –

35 minutes. In conclusion, the results of such a miniature study worked out the survey procedures and formats, reconfirmed the contents of instrumentation and the time use of each participation, and eventually confirmed the feasible implementation, and generated a desirable outcome. In other words, all these collected data could be "potential effectiveness" and "representatives of part of the results". Therefore, the results of pilot data could merge into the total data set for a combined analysis.

After a Pilot Study, a fieldwork was done to collect data from the rest of 165 samples. All data collection procedures were 100% identical to the prior one to ensure a consistent practice, and adhere to the pre-set group of samples size. The total sample size of 200 respondents was invited according to the portrayal in Chapter 3.

4.2 Descriptive Statistics

The collection of data from the prescribed sample size showed a sufficient population and correct identification of the selection process in the study.

The aim and use of Descriptive Statistics were to describe, summarize and report the data or the information that were collected from the survey. One form of descriptive statistics adopted graphical layouts that present data in ways to extract useful collected data. This part revealed the total sum of the 200 samples who provided their personal information (i.e. Gender, Nationality, Household Incomes, Education, Occupations, Work Industry, Living Districts, Marital Status, Numbers of Children, Living Situations and their propensities) from a data collection of 6-week survey, which was started from 15th July to 30th August, 2016.

Table # 8 reflects the breakdown of all three groups of respondents and their demographic information. The portion of each group of sample has been calculated by percentage.

Items	Majority	Minority
Gender	**Male – 60.5 %** (1st Group – 18 %, 2nd Group – 26 % & 3rd Group – 16.5 %	**Female – 39.5 %** (1st Group – 14%, 2nd Group -18 % & 3rd Group – 7.5 %)
Nationality	**Hong Kong – 67.5 %** (1st Group – 23 %, 2nd Group -24 % & 3rd Group – 20.5 %) **Mainland China – 14 %** (1st Group – 10 %, 2nd Group – 4 % & 3rd Group – 0%)	**Europe 6 %** (1st Group – 0%, 2nd Group – 6 % & 3rd Group – 0 %) **USA 9 %** (1st Group – 2 % - 2nd Group – 7 % & 3rd Group – 0 %) **Others 3.5 %** (1st Group – 1 %, 2nd Group – 1.5% & 3rd Group – 0 %)
Household Income	**HK$80,001 – HK$120,000 – 34 %** (1st Group – 8 %, 2nd Group – 13.5 % & 3rd Group – 12.5 %) **HK$120,001 or Above – 31 %** (1st Group – 16 %, 2nd Group – 8.5 % & 3rd Group – 6.5 %) **HK$60,001 – HK$80,000 – 21 %** (1st Group – 2.5 %, 2nd Group – 10 % & 3rd Group – 8.5 %)	**HK$40,000 – HK$60,000 – 14 %** (1st Group – 1.5%, 2nd Group – 3 % & 3rd Group – 9.5 %)
Educational Level	**Undergraduate Level – 64 %** (1st Group – 38%, 2nd Group 21 % & 3rd Group – 5 %) **Postgraduate Level – 20 %** (1st Group – 11 %, 2nd Group – 4 % & 3rd Group – 5 %)	**Secondary Level – 14 %** (1st Group 6 %, 2nd Group – 2 % & 3rd Group 6 %) **Primary Level = 2 %** (1st Group – 0.5 %, 2nd Group 1 % and 3rd Group – 0.5 %)
Work Position	**Managerial Positions – 38 %** (1st Group – 8 %, 2nd Group 21.5 % & 3rd Group – 8.5 %) **Self-Owners – 28.5 %** (1st Group – 6.5 %, 2nd Group – 12.5 % & 3rd Group – 9.5% **Professionals – 24 %** (1st Group – 7.5 %, 2nd Group – 14 % & 3rd Group – 2.5 %)	**Others – 9.5 %** (1st Group – 4 %, 2nd Group – 3 % and 3rd Group 2.5 %)
Work Industry	**Professionals – 31 %** (1st Group – 18 %, 2nd Group 6.5 % and 3rd Group – 6.5 %) **Others – 25.5 %** (1st Group - 4 %, 2nd Group 12 % & 3rd Group 9.5 %) **Finance – 24.5 %** (1st Group - 16.5 %, 2nd Group – 3 % & 3rd Group – 5 %)	**Exporting – 9 %** (1st Group – 7 %, 2nd Group – 0 % and 3rd Group – 2 %) **Manufacturing – 6 %** (1st Group 1 %, 2nd Group – 3.5 % and 3rd Group – 1.5 %) **Civil Servants – 4 %** (1st Group – 0 %, 2nd Group – 1.5 % & 3rd Group – 2.5 %)
	Hong Kong – 63 %	**New Territories – 13 %**

Living District	(1st Group – 28 %, 2nd Group - 14.5 % & 3rd Group 20.5 %) **Kowloon – 24 %** (1st Group – 12 %, 2nd Group 8 % & 3rd Group – 4 %)	(1st Group – 3 %, 2nd Group – 6.5 % & 3rd Group – 4.5 %)
Marital Status	**Married – 78 %** (1st Group – 29 %, 2nd Group – 28 % & 3rd Group – 21 %	**Single – 16 %** (1st Group – 4 %, 2nd Group 6.5 % & 3rd Group – 5.5 %) **Divorce – 6 %** (1st Group – 1.5 %, 2nd Group 2 % & 3rd Group – 2.5 %)
Number of Children	**One to Two Children – 63.5 %** (1st Group – 23 %, 2nd Group – 26 % & 3rd Group - 14.5%) **No Children – 27.5 %** (1st Group – 10 %, 2nd Group – 8 % & 3rd Group – 9.5 %)	**Three Children & more – 9 %** (1st group 2.5%, 2nd Group – 3.5 % & 3rd Group – 3 %)
Ownership Status	**Owners (Self-Use) – 72 %** (1st Group – 28 %, 2nd Group – 30 % & 3rd Group – 14 %)	**Tenants (Rent) – 14 %** (1st Group – 5.5 %, 2nd Group 4.5 % & 3rd Group – 5 %) **Landlord (Lease) – 14 %** (1st Group – 6.5 %, 2nd Group – 3 % & 3rd Group 4.5 %)
Intention to purchase property in 24 months	**Intention to Purchase – 74 %** (1st Group – 26 %, 2nd Group – 22 % & 3rd Group – 26 %)	**No Intention to purchase – 26 %** (1st Group – 6 %, 2nd Group 8 % & 3rd Group – 12 %)

Table # 8 showing the contrast between majority and minority of 3 Groups in the survey

Since the demographic information from three different sources were obtained from stratified random samples, the procedures for a combined analysis needed to be grouped into a single set of data as below

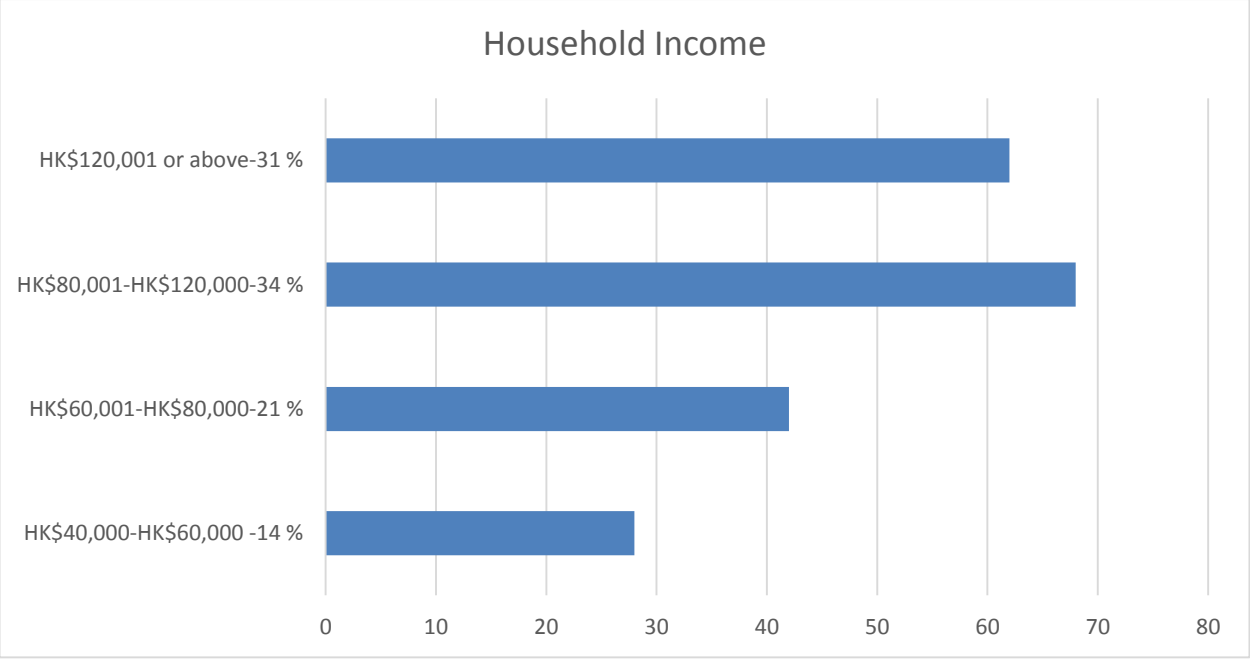
Measure and Items	Frequency	Percentage (%)
Gender		
Male	121	60.5%
Female	79	39.5 %
Nationality		
Hong Kong	135	67.5 %
China	28	14.0 %
Europe	12	6.0 %
America	18	9.0 %
Others	7	3.5 %

Table # 9: The Demographic Profile (Numbers of Sample = 200)

As shown in the table # 9, among the 200 respondents, 121 (60.5 %) of them were male whereas 79 (39.5 %) were female. There were 135 respondents (67.5%) were Hong Kong citizens, 28 respondents (15 %) were Mainlanders, 12 were European (6 %), 18 were American (9.0 %), whereas the rest of 7 (3.5 %) respondents came from other countries.

This proved that a larger group of respondents were local citizens. The sum of Hong Kong and China Chinese were 163 persons (81.50%) as the major part of samples, who expressed their views, opinions and answers to this survey. Let's see how they reacted and gave below information.

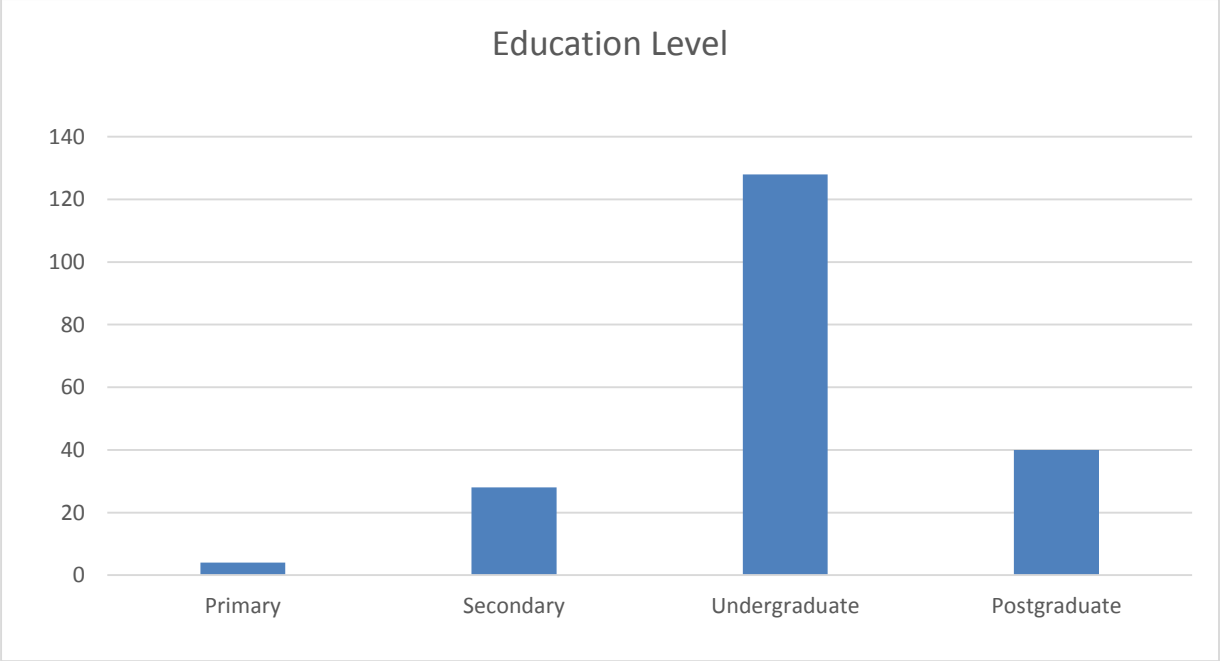
Following graphs and tables revealed all accurate data which obtained from the data collection process, the data were based on what they reacted to their demographic details which set out in Chapter 3.



Graph # 3 showing the Household Income Range of 200 Respondents

Household Monthly Income Range	Number of Respondents	Percentage
HK$40,000 – HK$60,000	28	14 %
HK$60,001 – HK$80,000	42	21 %
HK$80,001 – HK$120,000	68	34 %
HK$120,000 or above	62	31 %

The graph # 3 reveals the percentages and the numbers of their monthly household income range. Respondents of groups C and D earn the highest household income in the prescribed sample size. 28 persons (14%) earn a monthly household income in a range of HK$40,000 – HK$60,000; 42 samples (21%) earn a monthly household income in a range of HK$60,001 - HK$80,000; 68 samples (34%) earn a monthly household income in a range of HK$80,001 to HK$120,000 and the rest of samples (31%) earn the highest household income as illustrated.

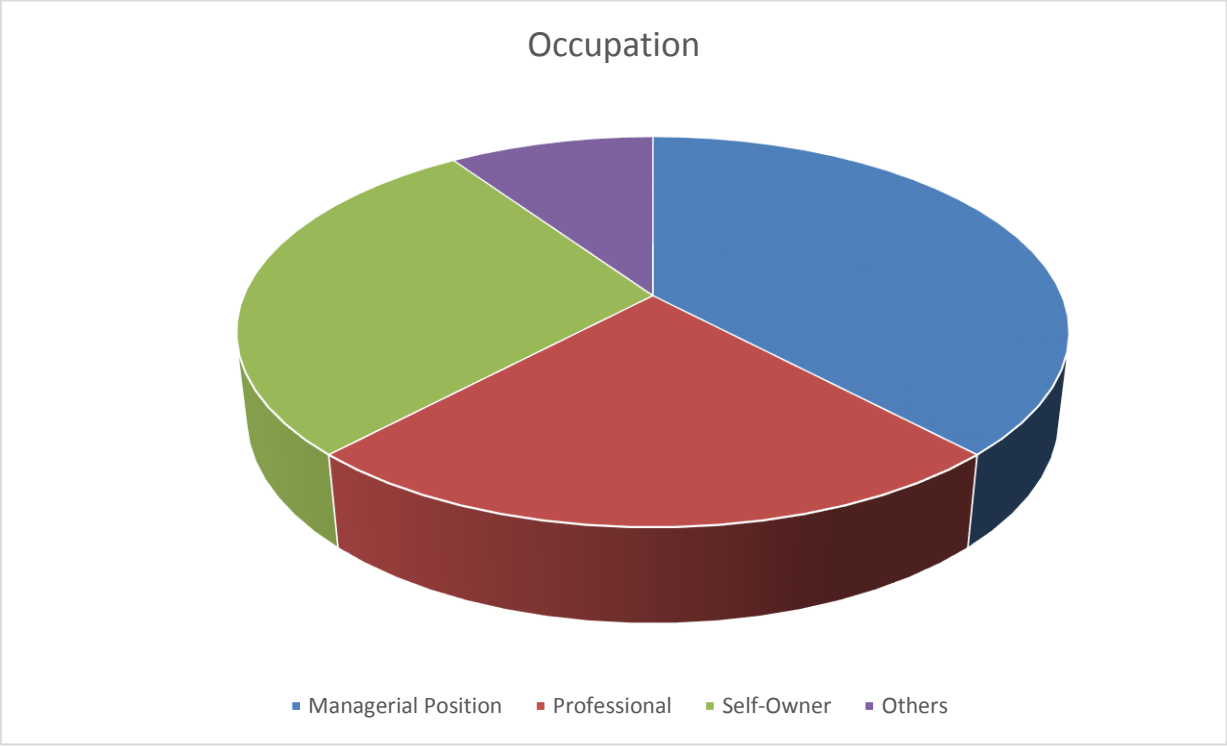


Educational Levels of 200 Respondents

Graph # 4 showing the Education Level of 200 Respondents

Educational Levels	Number of People	Percentage
Primary Level	4	2 %
Secondary Level	28	14 %
Undergraduate Level	128	64 %
Postgraduate Level	40	20 %

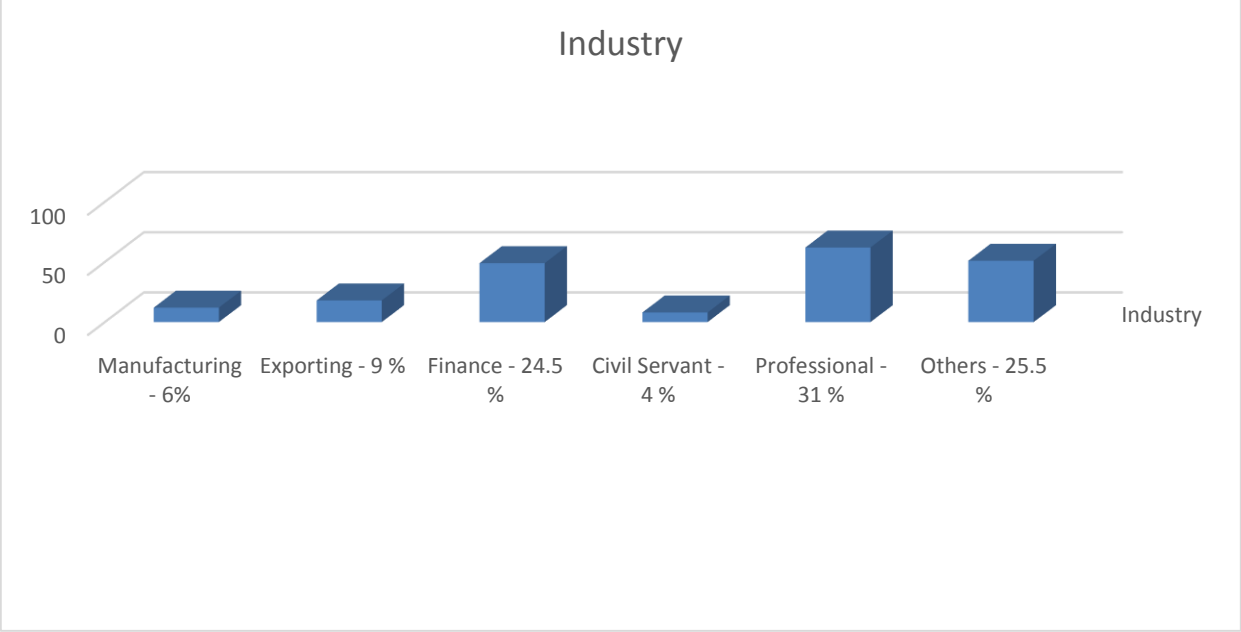
The majority of respondents were well educated. In the graph # 4 revealed that 4 respondents (2%) of the samples were just completed Primary School; 28 respondents (14%) were graduated from Secondary Schools; 128 respondents (64%) well graduated from Undergraduate level and the rest of 40 respondents (20%) were completed and categorised to Postgraduate level. The sum of 168 respondents (84 %) with Undergraduate and Postgraduate qualifications are the largest two groups in the survey.



Graph # 5 showing the Occupation Positions of 200 respondents

Position	Number of People	Percentage
Managerial Position	76	38 %
Professional	48	24 %
Self-Owner	57	28.5 %
Others	19	9.5 %

The graph # 5 showing the occupation of 200 respondents. 76 respondents (38 %) work for a Managerial Position; 48 respondents (24 %) work as Professional; 57 respondents (28.5 %) work for themselves, and 19 respondents (9.5 %) work for other jobs. The pie chart reveals that the largest two groups of respondents are holding managerial positions and acting as self-owners.



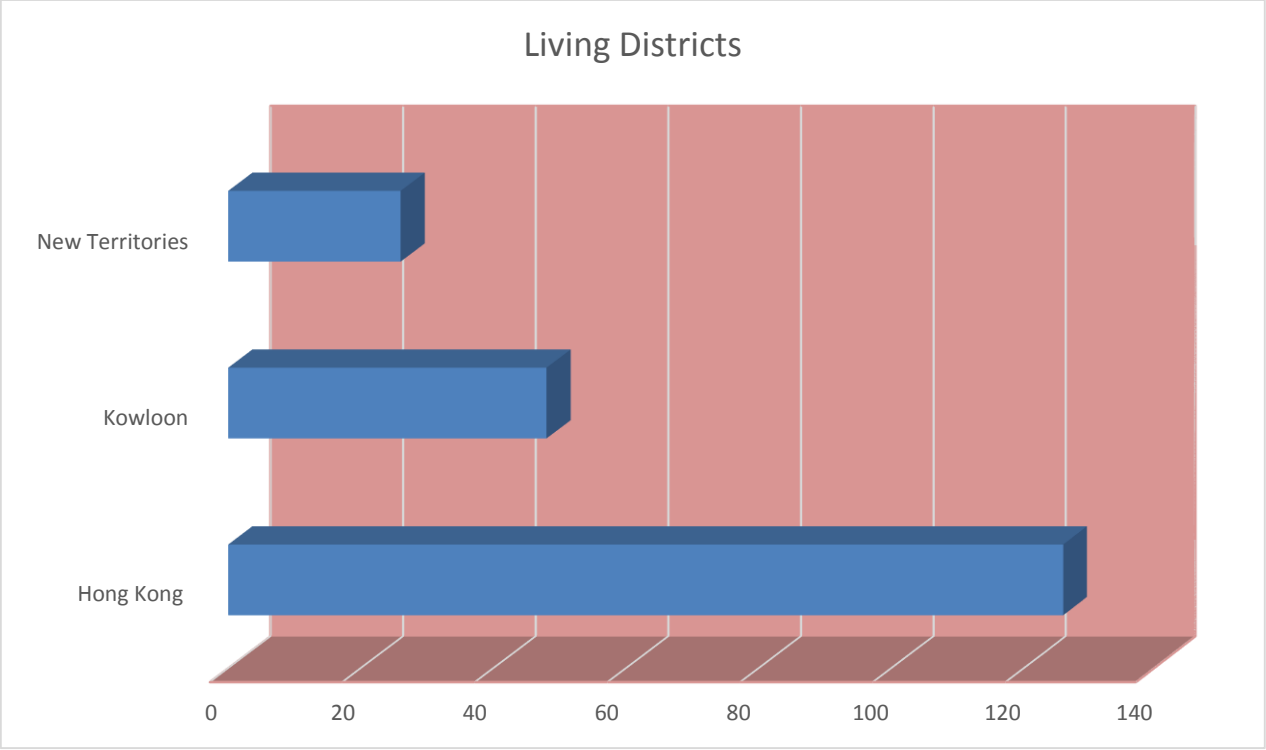
Graph # 6 showing the respondents' occupations in different industries

Field of Industry	Number of People	Percentage
Manufacturing	12	6 %
Exporting	18	9 %
Finance	49	24.5 %

Civil Servant	8	4 %
Professional	62	31 %
Others	51	25.5 %

The graph # 6 showing the occupations of 200 samples in different industries. The bar chart consists of bars reflecting to each of possible values, whose height are equal to numbers of people in that particular industry.

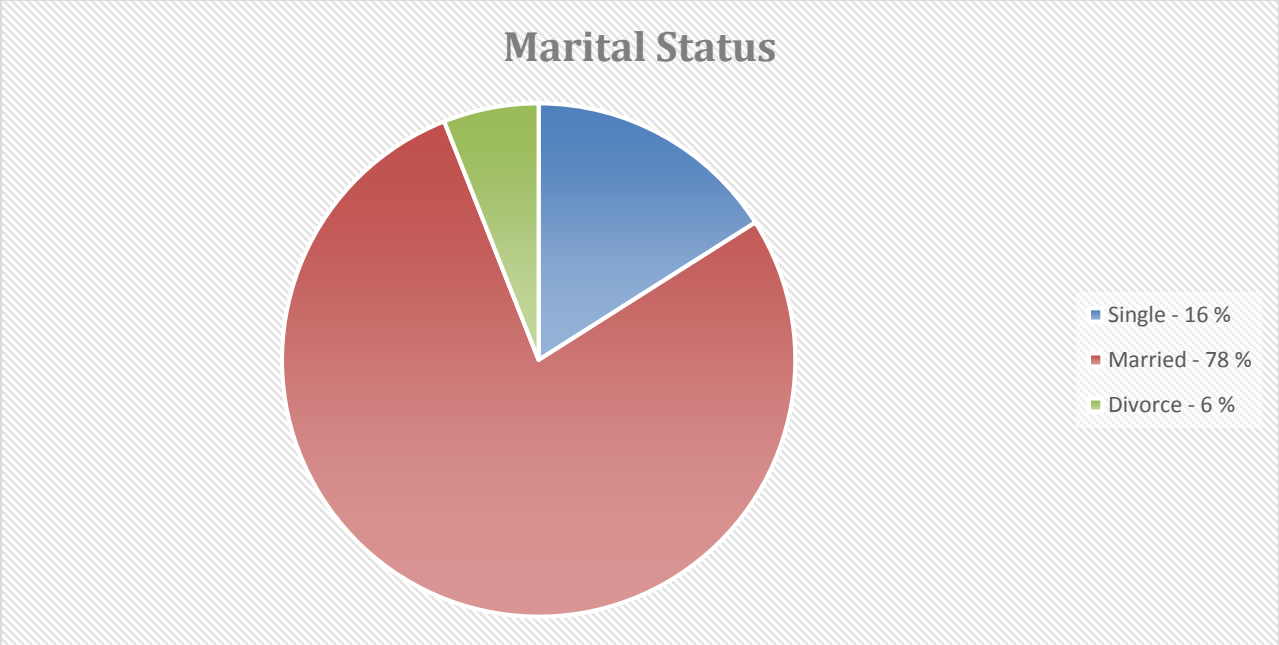
Professionals are the majority of people in the sample size. Respondents who work in other industries are the second largest portion; Respondents work in Finance Industry are the third; then Exporting, Manufacturing and Civil Servants.



Graph # 7 showing Living District of 200 Respondents

Living Districts	Number of People	Percentage
Hong Kong	126	63 %
Kowloon	48	24 %
New Territories	26	13 %

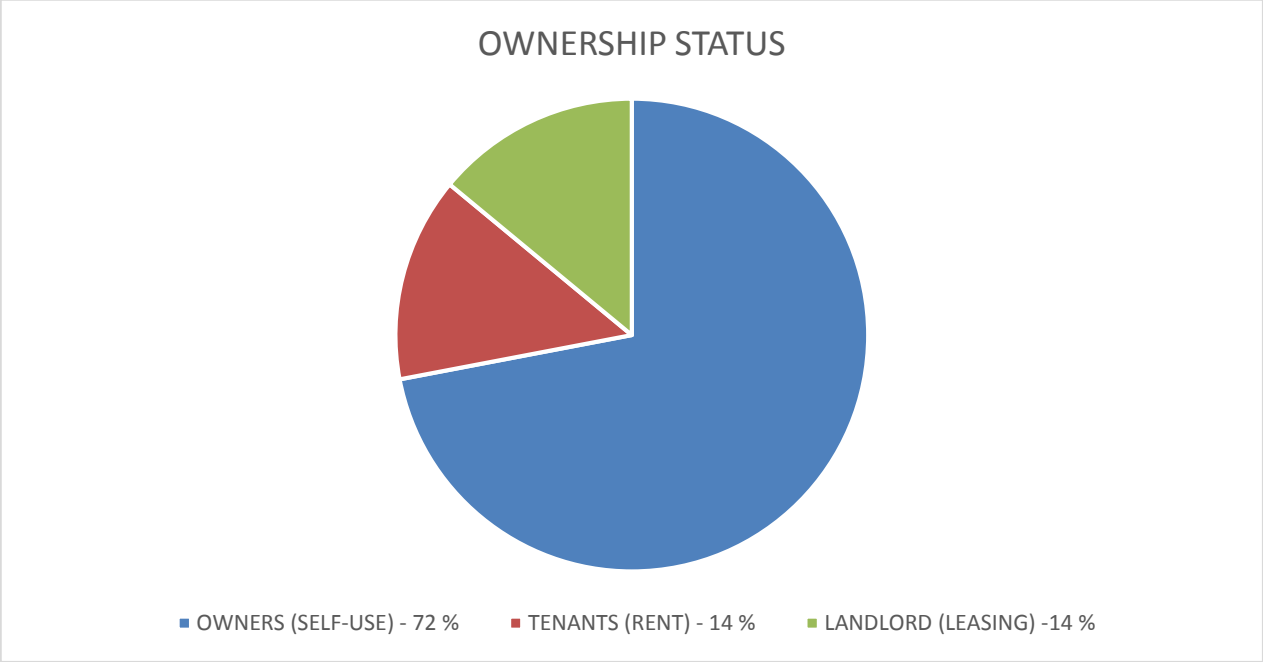
The graph # 7 showing the living districts of 200 respondents. 126 respondents (63 %) are living in Hong Kong side; 48 respondents (24 %) are living in Kowloon, and 26 respondents (13 %) are living in New Territories. This table shows that the majority of interested or prospective buyers are living in Hong Kong side.



Graph # 8 showing the Marital Status of 200 Respondents

Marital Status	Number of Respondents	Percentage
Single	32	16 %
Married	156	78 %
Divorce	12	6 %

The graph # 8 reveals that 156 respondents are married (78 %), 32 respondents (16 %) are still single and 12 respondents (6 %) are Divorce. This can be proved that most of the homebuyers and seekers are having families and will seek for home for family purpose.

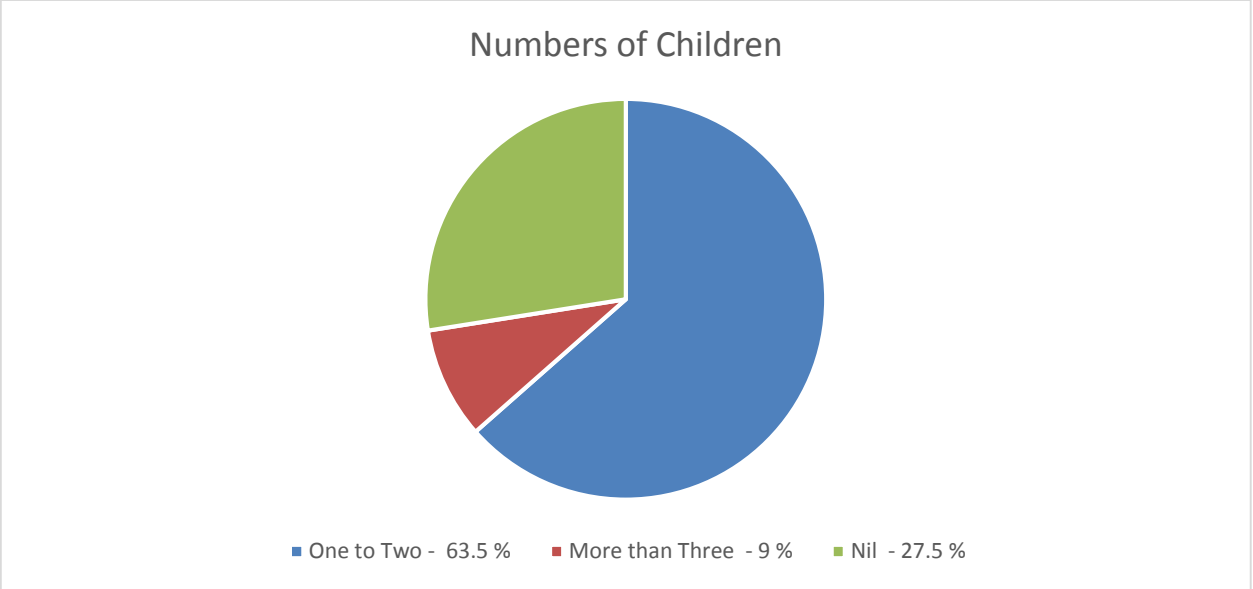


Graph # 9 showing the Ownership Status of 200 Respondents

Property Ownership Status	Number of Respondents	Percentage
Owner (Self Use)	144	72 %
Tenant (Rent)	28	14 %
Landlord (Leasing)	28	14 %

In the graph # 9, 144 respondents (72 %) are the owners of the property using their own property for living; 28 respondents (14 %) are the Tenants not having any ownership of any properties, and 28 respondents (14 %) are the landlord but they lease their properties to someone else.

The ownership status proves that 172 respondents out of 200 are holding their own properties, whether they are using their properties for self-use or leasing purpose.



Graph # 10 showing the Numbers of Children in the Families

Number of Children	Number of Respondents	Percentage
One to Two	127	63.5 %
More than Three	18	9 %
Nil	55	27.5 %

Families with children or not would more or less affect their propensities for changes. Nowadays, Parents need a change or not is heavily based on the number of members in the family. In graph # 10 showing 127 respondents (63.5 %) have 1 - 2 children; 18 respondents have more than children and the rest of 55 respondents have no children. The majority of respondents is the group with "1 – 2" children. In addition, 148 persons are interested in seeking for properties in coming 24 months and the rest of 52 persons will not consider any purchase in coming 2 years.

This proved that the major part of respondents – 145 persons (72.5 %) have children and more perfect family structure. The assumption is that the rest of respondents are perhaps remained a Marital Status either single or divorced, and a little part of married persons in the sample list have no children.

Items	Majority	Minority
Gender	Male 60.50 %	Female 39.50 %
Nationality	Hong Kong 67.50 % Mainland China 14.00 %	Europe 6.00 % USA 9.00 % Others 3.50 %
Household Income	HK$80,001 – HK$120,000 – 34.00 % HK$120,001 or Above – 31.00 % HK$60,001 – HK$80,000 – 21.00 %	HK$40,000 – HK$60,000 – 14.00 %
Educational Level	Undergraduate Level – 64.00 % Postgraduate Level – 20.00 %	Secondary Level – 14.00 % Primary Level = 2.00 %
Work Position	Managerial Positions – 38.00 % Self-Owners – 28.50 % Professionals – 24.00 %	Others – 9.50 %
Work Industry	Professionals – 31.00 % Others – 25.50 % Finance – 24.50 %	Exporting – 9.00 % Manufacturing – 6.00 % Civil Servants – 4.00 %
Living District	Hong Kong – 63.00 % Kowloon – 24.00 %	New Territories – 13.00 %
Marital Status	Married – 78.00 %	Single – 16.00 % Divorce – 6.00 %
Number of Children	One to Two Children – 63.50 % No Children – 27.50 %	Three to Four Children – 9.00 %
Ownership Status	Owners (Self-Use) – 72.00 %	Tenants (Rent) – 14.00 % Landlord (Lease) – 14.00 %
Intention to purchase property in 24 months	Intention to Purchase – 74.00 %	No Intention to purchase – 26.00 %

Table # 10 showing the contrast between majority and minority people in the survey

4.3 Summary Statistics of the Research Study

In summary of the Descriptive Statistics, the results of demographic information reflected the majority of informants, among 200 samples, were commonly having following similar background and traits. The table # 10 draws out the contrast between the majority and minority percentages of each category of content. This part was summarized that the samples consisted of 60.5% of Male and 39.5% of Female, 67.50% of people are Hong Kong Chinese and the rest of 32.5% people come from Mainland China, Europe, United States and Other. 86 % household income was the majority of families earning from HK$60,000 to a range of HK$120,001 or above, and the rest of 14% in a range of HK$40,000 to HK$60,000.

As for their educational background, the majority of people of total 84 % were well educated and adhered to at least undergraduate level, in which 20 % of people possessed with postgraduate level. The balance of 16 % people only possessed with background of secondary and primary levels. 38 % of people hold the managerial positions; 28.5 % are self-owners and 24 % are professionals, the rest of 9.5% people work for other occupations. With regard to their work industries, 31 % of people are working in the professional industries; 24.5 % are working in other fields and 24.5 % are working in Finance areas. The total sum of 81 % of respondents are supposed to work in the fields of Professional and Finance. The balance of 19 % of people are working in Exporting and Manufacturing industries, and are working as Civil Servants.

63 % of people are living in Hong Kong Island, 24 % of people are living in Kowloon side, and the rest of 13 % of people are living in New Territories. 78 % respondents are married; 16% are single and 6 % are divorced. Within the family structure, 63.50 % people are having 1 – 2 children; 27.5 % people have no kid and 9 % people have more than 2 children. In term of ownership, 72 % people are the owners living in their own properties, another 14 % are landlords but they lease their properties

to someone else; the rest of 14 % people are the residents who rent the properties from the property holders.

In the end of this section, 74 % people, within the sample size, have expressed their interests in seeking for properties in coming 24 months, and the balance of 26 % people would not consider any purchases.

4.4 Recitation of Each Effect and Perceived Value

Again, the data set included the responses of 200 samples, who participated in and answered to the questionnaire at the time of survey. In summary statistics, their responses could be reflected to conclude all numerical data, which were obtained from the process of data collection. The aim of the measure was to report the central tendency, and simultaneously identify the believability of central position in the data set, and find out what are the strongest and worst results from the activities of survey.

In order to be more precise on various factors, a detailed analysis needed to be revealed from the result of each sub-factor. Each effect contained of 3 sub-factors, which could be referred to an explanation of the importance of each perceived value, for those who cared of the context of each effect. Based on the essentials of several literature, the instrumentation of 39 questions were used to demonstrate the feedback from participants.

Below is the table # 11 showing and related questions and the domain of each perceived value, which all questions have been used by various scholars, who have investigated and focused on their probing areas. Each question was used for measurement of particular effects as below.

Questions	Focus on	Constructs
Questions # 1 - 3	Perceived Brand Value	Functional Effects
Questions # 4 - 6	Perceived Beauty Value	Functional Effects
Questions # 7 - 9	Perceived Utility Value	Functional Effects
Questions # 10 - 12	Perceived Conspicuous Value	Interpersonal Effects
Questions # 13 - 15	Perceived Unique Value	Interpersonal Effects
Questions # 16 - 18	Perceived Social Value	Interpersonal Effects
Questions # 19 - 21	Perceived Personal Trait Value	Personal Effects
Questions # 22 - 24	Perceived Emotional Value	Personal Effects
Questions # 25 - 27	Perceived Quality Value	Personal Effects
Questions # 28 - 30	Perceived Locational Value	Investing Effects
Questions # 31 - 33	Perceived Compounding Value	Investing Effects
Questions # 34 – 36	Perceived Eternal Value	Investing Effects
Questions # 37 – 39	Purchase Intention	Purchase Intention

Table # 11 showing 39 questions with focuses on various constructs

To review and summarize the result of each sub-variable, the answers from all respondents to 39 questions could be explained by numerical value, which was prescribed and reflected a very coherent and consistent as well as inextricable relationship between each variable.

This part uses of Median, Mean and Mode to illustrate the results, and distinguish the difference between all perceived values. Three of the calculation methods can be described as

Median is the middle number/or value in a set of listed numbers within the data set, which can probably be a half of the largest number or a half of the smallest number. To generate the median

value, Excel helped to calculate its midpoint value from the lowest to highest numbers. What to reflect was the median score from the cluster of respondents.

Mean is the average number of the data set and can be referred to arithmetic mean. To reckon in the average value, all of the numbers need to be added and then divided the sum by the total counts of the numbers. What to show was to determine a more appropriate average score and show the distribution of averages from the cluster of respondents.

Mode is to measure the high frequency numbers which have been appeared in the data set. Mode could help to find out what should be the most common value or the major occurrence of a value or number.

What to see was the high frequency score from the choices of all respondents.

Effects	Median Value	Mean	Mode	Influential Power
Functional Effects	**5**	**5.126125**	**5**	**Least Important**
Interpersonal Effects	**5.222**	**5.285095**	**5**	**2nd Important**
Personal Effects	**5.055**	**5.219965**	**5**	**3rd Important**
Investing Effects	**5.333**	**5.300055**	**5**	**1st Important**
Convergence	**5.25**	**5.231695**	**5.25**	**Combined Influential**
Purchase Intention	**5.333**	**5.337345**	**5**	

Table # 12 showing the Influential Power, Median, Mean and Mode of each variable

As shown in table # 12, Investing Effects seemed to be the most important one with the total sum results of 5.333 Median Value, 5.300055 Mean Value and 5 Mode Value in the study, 2nd important one was Interpersonal Effects with 5.222 Median Value, 5.285095 Mean Value and 5 Mode Value, 3rd important variable was Personal Effects with 5.055 Median Value, 5.219965 Mean and 5 Mode

Value, and the least one was Functional Effects with 5 Median Value, 5.126125 Mean Value and 5 Mode Value. The recitation of the result of each perceived value was below:

4.4.1 Results of Functional Effects

Results of Functional Effects consist of Perceived Brand, Beauty and Utility Values.

Functional Effects	Median Value	Mean	Mode	Influential Power
Brand Value	5.33	5.1449	5.33	2nd Strongest
Beauty Value	5	5.0145	5.33	3rd Strongest
Utility Value	5.33	5.1913	5.33	The Strongest

A. Perceived Brand Value
1. I like to know what luxury brands and products make good impressions on others. (Hennigs *et al*., 2012)
2. To me, my friends' perceptions of different luxury brands or products are important. (Hennigs *et al*., 2012)
3. It is important to know what others think of people who use certain luxury brands or properties. (Hennigs *et al*., 2012)

Instruments of 1 – 3 raised the survey questions about the brand value with different scores. The aggregate score of total 200 respondents was 1028.97, Median Value was 5.33, Average Value was 5.1449 and Mode Value was 5.33. Brand was reckoned to be 2nd strongest perceived value in this group.

B. Perceived Beauty Value
4. I usually keep up with style changes by watching what others buy. (Wiedmann *et al.*, 2009)
5. I actively avoid using properties that are not in style. (Wiedmann *et al.*, 2009)
6. Luxuries are fashionable. (Wang *et al.*, 2011)

Instruments of 4 – 6 included questions of beauty relevance. The aggregate score of total 200 respondents was 1002.90, Median Value was 5.00, Average Value was 5.0145 and Mode Value was 5.33. Brand was reckoned to be the weakest one in this group.

C. Perceived Utility Value
7. The superior product quality is my major reason for buying a luxury property. (Hennigs *et al.*, 2012)
8. I place emphasis on quality assurance over prestige when considering the purchase of a luxury property (Hennigs *et al.*, 2012)
9. I am inclined to evaluate the substantive attributes and performance of a luxury property rather than listening to the opinions of others. (Hennigs *et al.*, 2012)

Instruments of 7 -9 regarded questions of Utility value. The aggregate score of total 200 respondents was 1038.26, Median Value was 5.33, Average Value was 5.1913 and Mode Value was 5.33. Brand was reckoned to be the strongest in the independent variable of Functional Effects.

4.4.2 Results of Interpersonal Effects

Results of Interpersonal Effects consist of Perceived Conspicuous, Unique and Social Values.

Interpersonal Effects	Median Value	Mean	Mode	Influential Power
Conspicuous Value	5.33	5.2422	4.67	3rd Strongest
Unique Value	5.33	5.3204	5.33	The Strongest
Social Value	5.33	5.2674	5.33	2nd Strongest

A. Perceived Conspicuous Value
10. Owning luxury property indicates a symbol of achievement (Shukla, 2012)
11. Owning luxury property indicates a symbol of wealth (Shukla, 2012)
12. Owning luxury property indicates a symbol of prestige (Shukla, 2012)

Instruments of 10 – 12 aimed to measure of Conspicuous Value. The aggregate score of total 200 respondents was 1048.46, Median Value was 5.33, Average Value was 5.2422 and Mode Value was 4.67. Conspicuous Value was reckoned to be the weakest one in the independent variable of Interpersonal Effects.

B. Perceived Unique Value
13. Luxury properties are inevitably very expensive. (Hennigs *et al.*, 2012)
14. Few people own a true luxury property. (Hennigs *et al.*, 2012)
15. Truly luxury properties cannot be mass-produced. (Hennigs *et al.*, 2012)

Instruments of 13 – 15 pointed to the Unique Value. The aggregate score of total 200 respondents was 1064.08, Median Value was 5.33, Average Value was 5.3204 and Mode Value was 5.33. Unique Value was reckoned to be the strongest value in the independent variable of Interpersonal Effects.

C. Perceived Social Value
16. I buy luxury property just because it has status (Shukla, 2012)
17. Luxury property is important to me because they make me feel that acceptable in my work circle (Shukla, 2012)
18. I purchase luxury property to gain/increase social status (Shukla, 2012)

Instruments of 16 – 18 referred to the Social Value. The aggregate score of total 200 respondents was 1053.49, Median Value was 5.33, Average Value was 5.2674 and Mode Value was 5.33. Social Value was reckoned to be the 2nd strongest value in the independent variable of Interpersonal Effects.

4.4.3 Results of Personal Effects

Results of Personal Effects consist of Perceived Personal Trait, Emotional and Quality Values.

Personal Effects	Median Value	Mean	Mode	Influential Power
Personal Trait Value	5.33	5.2016	5.33	2nd Strongest
Emotional Value	5.33	5.2526	5.33	The Strongest
Quality Value	5.33	5.1674	5.33	3rd Strongest

A. Perceived Personal Trait Value
19. Purchasing luxury property increases my happiness (Shukla, 2012)
20. It is important to me to own really nice luxury property (Shukla, 2012)
21. My life would be better if I owned certain things I don't have (Wiedmann *et al*., 2009)

Instruments of 19 – 21 related to the Personal Trait Value. The aggregate score of total 200 respondents was 1040.31, Median Value was 5.33, Average Value was 5.2016 and Mode Value was 5.33. Personal Trait Value was reckoned to be the 2nd strongest value in the independent variable of Personal Effects.

B. Perceived Emotional Value
22. While living in luxury property, I feel the excitement of the hunt (Shukla, 2012)
23. When living in luxury property, I am able to forget my problems (Shukla, 2012)
24. When in a bad mood, living in luxury property enhances my mood (Shukla, 2012)

Instruments of 22 – 24 related to the Emotional Value. The aggregate score of total 200 respondents was 1050.52, Median Value was 5.33, Average Value was 5.2526 and Mode Value was 5.33. Emotional Value was reckoned to be the strongest value in the independent variable of Personal Effects.

C. Perceived Quality Value
25. I believe luxury property are of superior quality (Shukla, 2012)
26. In my mind, the higher price charged by luxury goods indicate higher quality (Shukla, 2012)
27. You always have to pay a bit more for the best (Shukla, 2012)

Instruments of 25 – 27 focused on Quality Value. The aggregate score of total 200 respondents was 1033.47, Median Value was 5.33, Average Value was 5.1674 and Mode Value was 5.33. Quality Value was reckoned to be the strongest value in the independent variable of Personal Effects.

4.4.4 Results of Investing Effect

Results of Investing Effects consist of Perceived Locational, Compounding and Eternal Values

Investing Effects	Median Value	Mean	Mode	Influential Power
Locational Value	5.33	5.2931	5.33	2nd Strongest
Compounding Value	5.33	5.3896	5.67	The Strongest
Eternal Value	5.33	5.1874	5.33	3rd Strongest

A. Perceived Locational Value
28. I often consult other people to help choose the location to invest in (Hoffmann and Broekhuizen, 2009)
29. To make sure I buy the right location, I often observe what other investors invest in (Hoffmann and Broekhuizen, 2009)
30. The typical property owner in this location reflects the type of person I would like to be (Thomas, 2013).

Instruments of 28 – 30 questioned about Locational Value. The aggregate score of total 200 respondents was 1058.62, Median Value was 5.33, Average Value was 5.2931 and Mode Value was 5.33. Locational Value was reckoned to be the 2nd strongest value in the independent variable of Investing Effects.

B. Perceived Compounding Value
31. I invest because I like to participate in investment (Hoffmann and Broekhuizen, 2009)
32. I like to know what investment decisions make good impressions on others (Hoffmann and Broekhuizen, 2009)
33**.** An investment in a property will lead me to a gain because it will fit well with my self-concept (Hoffmann and Broekhuizen, 2009).

Instruments of 31 – 33 asked about Compounding Value. The aggregate score of total 200 respondents was 1077.91, Median Value was 5.33, Average Value was 5.3896 and Mode Value was 5.67. Compounding Value was reckoned to be the strongest value in the independent variable of Investing Effects, and the one which is the most significant in all four independent variables.

C. Perceived Eternal Value
34. I frequently gather information about (the type) of property from my family before I invest in (Hoffmann and Broekhuizen, 2009)
35. I achieve a sense of belonging by purchasing the same type of property (Hoffmann and Broekhuizen, 2009)
36. Luxury properties are long-lasting (Hanzaee *et al*. (2012)

Instruments of 34 – 36 questioned about Eternal Value. The aggregate score of total 200 respondents was 1037.49, Median Value was 5.33, Average Value was 5.1874 and Mode Value was 5.33. Eternal Value was reckoned to be the weakest one in the independent variable of Investing Effects.

4.4.5 Results of Convergence of Perceived Effects

As prescribed, this would be the 5th independent variable, which was added together all the scores of the 1st, 2nd, 3rd and 4th independent variables (Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects) and then divide the sum by the total count of the numbers. In other words, the results were calculated by arithmetic mean. The aggregate score of total 200 respondents was 1046.30, Median Value was 5.25, Average Value was 5.2317 and Mode Value was 5.25. All 12 perceived values (independent variables) were reckoned to be used to link with the Purchase Intention (dependent variable).

4.4.6 Results of Purchase Intention

Purchase Intention is a dependent variable, which needed to be tested with all above variables.

37. I will purchase a property with consideration of above components (Wong and Cheung, 2013)
38. I will try to purchase a property with consideration of above components (Wong and Cheung, 2013)
39. I plan to purchase a property with consideration of above components (Wong and Cheung, 2013)

Instruments of 37 – 39 questioned about Purchase Intention. The aggregate score of total 200 respondents was 1067.5, which was quite close to the highest score of Perceived Compounding Value

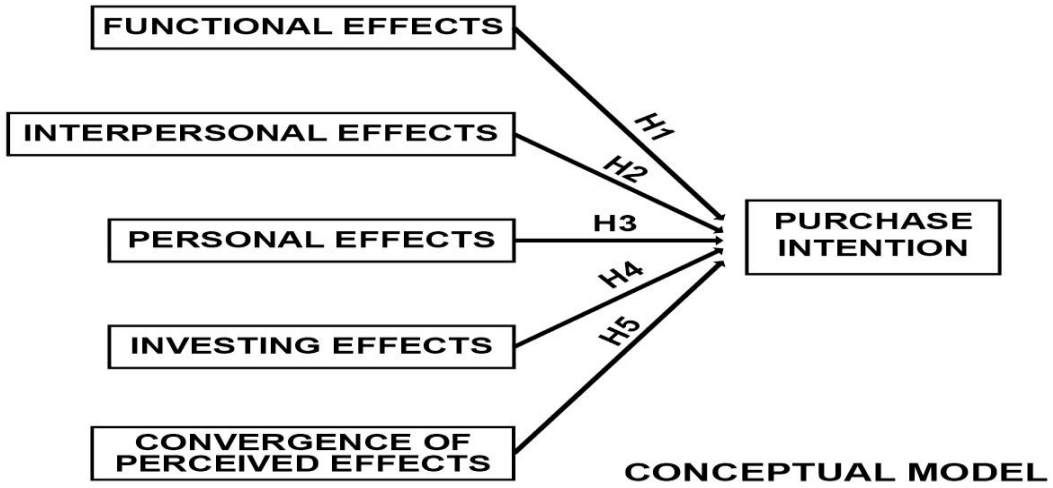
(Investing Effects) and the 2nd highest score of Perceived Unique Value (Interpersonal Effects). Its Median Value was 5.333, Average Value was 5.3374 and Mode Value was 5.00. Purchase Intention, as only dependent variable, is well proved and connected to all independent variables – Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects, and the convergence of perceived values as well.

Significant Ranking Positions	***Perceived Value***	***Related Effects (Independent Variables)***	***Total Scores***	***Average Value***
1st	Compounding Value	Investing Effects	1077.91	5.3896
2nd	Unique Value	Interpersonal Effects	1064.08	5.3204
3rd	Locational Value	Investing Effects	1058.62	5.2931
4th	Social Value	Interpersonal Effects	1053.49	5.2674
5th	Emotional Value	Personal Effects	1050.52	5.2526
6th	Conspicuous Value	Interpersonal Effects	1048.46	5.2422
7th	Personal Trait Value	Personal Effects	1040.31	5.2016
8th	Utility Value	Functional Effects	1038.26	5.1913
9th	Eternal Value	Investing Effects	1037.49	5.1874
10th	Quality Value	Personal Effects	1033.47	5.1674
11th	Brand Value	Functional Effects	1028.97	5.1261
12th	Beauty Value	Functional Effects	1002.90	5.0145
Not Applicable	All Perceived Values	Convergence – 5th Independent Variable	1046.30	5.2317
Not Applicable	Purchase Intention	Dependent Variable	1067.50	5.3374

Table # 13 showing the Significant Ranking Positions of all Perceived Values

In summary as per table # 13, Compounding Value (1st) and Locational Value (3rd) of Investing Effects, and Unique Value (2nd) and Social Value (4th) of Interpersonal Effects facially seem to be the most significant effects from the voices of respondents, and then the rest of sub-factors are also important to affect the Purchase Intention of the homebuyers.

4.5 Conceptual Model



CONCEPTUAL MODEL

4.6 The Research Hypotheses

H1. The Brand, Beauty, and Utility Values (Functional Effects) are significantly and positively correlated to the perceived value of the luxurious property.

H2. The Conspicuous, Unique and Social Values (Interpersonal Effects) are significantly and positively correlated to the perceived value of luxurious property.

H3. Personal Trait, Emotional and Quality Values (Personal Effects) are significantly and positively correlated to the perceived value of luxurious property.

H4. The Locational, Compounding and Eternal Values (Investing Effects) are significantly and positively correlated to the perceived values of luxurious properties.

H5. The Convergence of perceived values will be significantly and positively associated with luxury property purchase intentions or behaviours.

Princeton University (2016) suggests that output of regression should consist of three components:

- Regression statistics table
- ANOVA table (Analysis of Variance)
- Regression coefficients table

As indicated in the research approach area, a fieldwork was done from 15th July to 30th August, 2016. The study protocol was strictly adhered to 200 samples for an entire survey, which all relevant data were provided by prescribed homebuyers. The survey was based on the same practice as identical to the Pilot Study, and included the hypothesis testing for four independent variables (Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects) and the dependent variable (Purchase Intention).

200 respondents answered the survey which the structured questionnaire was used to test five hypotheses and feedback to research question, and of that number, 60.5 per cent of samples were men and 39.5 per cent were women. Among the respondents, 135 persons were local people, 28 persons were Mainland Chinese, 12 Europeans, 18 Americans and 7 persons from other countries. They all accepted Invitations, provided all their demographic information and answered a 39-scale survey questionnaire.

4.7 Statistical Results

In order to ensure a feasible study and explain the individual relationship between each independent variable and the dependent variable, a simple regression method was tested to proceed with the

individual response and anticipate the Purchase Intention as a function of each independent variable. The table # 14 showing all effect sizes and proving all four key independent variables are significantly correlated with the dependent variable. In the results of simple regression method, Functional Effects showed as the most important one, followed by Investing Effects, then Interpersonal Effects, and the least one was Personal Effects. The details of summary output are shown in appendices 7, 8, 9 and 10 (p. 207 - 210).

Constructs	P-value	β	t-value	R	R square	Adjusted R Square
Functional Effects	0.0000	0.44148127	6.684501	0.42909128	0.18411932	0.17999872
Interpersonal Effects	0.0000	0.40872795	6.538659	0.42140711	0.17758395	0.17343034
Personal Effects	0.0000	0.36866919	6.090172	0.39720278	0.15777005	0.15351636
Investing Effects	0.0000	0.42550168	7.456172	0.46821576	0.21922599	0.21528269
Convergence of Perceived Value	0.0000	0.816582088	10.70055	0.605312975	0.366403798	0.363203817

Table # 14 showing all Key Values of Individual Effect Sizes

"Adjusted R Square" can determine how strong the relationship between dependent variable (Purchase Intention) and each independent variable is. The individual result by using simple regression as below:

1) Purchase Intention was found positively to Functional Effects ($\beta = 0.4414$, $p < .5$); ($F = 44.68$, $p < .05$). The adjusted R square of this measure was 17.99 % meaning that a significant portion of the variance of the Purchase Intention could be explained by Functional Effects.
2) Purchase Intention was found positively to Interpersonal Effects ($\beta = 0.4087$, $p < .5$); ($F = 42.75$,

$p < .05$). The adjusted R square of this measure was 17.34 % meaning that a significant portion of the variance of the Purchase Intention could be explained by Interpersonal Effects.

3) Purchase Intention was found positively to Personal Effects ($\beta = 0.3687$, $p < .5$); ($F = 37.09$, $p < .05$). The adjusted R square of this measure was 15.35 % meaning that a significant portion of the variance of the Purchase Intention could be explained by Personal Effects.
4) Purchase Intention was found positively to Investing Effects ($\beta = 0.4255$, $p < .5$); ($F = 55.59$, $p < .05$). The adjusted R square of this measure was 21.53 % meaning that a significant portion of the variance of the Purchase Intention could be explained by Investing Effects.

In addition, Line Fit plots were revealed in Appendix 7, 8, 9 and 10 (p. 207 – 210) to show how "linear" relationship would be. The light blue tiny diamonds show the actual relationship between the dependent variable and independent variable, whilst the orange squares show a perfectly straight line to reflect the "predicted" relationship with each independent variable.

As mentioned earlier, the final statistical tool would be Multiple Linear Regression, which was used to test the relationships between several independent variables and dependent variable. Barrow (2006, p. 221) illustrates that the correlation and regression are techniques for investigating the statistical relationship between two and more variables. This statistical method helps to analyse how these four variables can be correlated with the response of "Purchase Intention".

The familiarity of an interpretation is to report the outcome about the significant relationships between several explanatory predictors and the dependent variable. The starting point is to examine the Model Fit and the extent of its effects sizes. Trusty *et al*. (2004, p. 107) mention that "*effect sizes can serve as an important mechanism for communicating the professional knowledge base to the others or within and outside our profession*".

4.7.1 Statistical Results of 4 Independent Variables

Multiple linear regression was conducted as below Summary Output # 1. The *Functional Effects*, *Interpersonal Effects*, *Personal Effects* and *Investing Effects* were statistically significantly correlated to the Purchase Intention ($F = 29.06$, $p < .05$). Purchase Intention was found positively correlated to Functional Effects ($\beta = 0.2428$, $p < .5$), Interpersonal Effects ($\beta = 0.2163$, $p < .5$), Personal Effects ($\beta = 0.1223$, $p < .5$) and Investing Effects ($\beta = 0.2444$, $p < .5$). The adjusted R Square of the whole model was 36.06 % meaning that a significant portion of the variance of the Purchase Intention could be explained by these four effects.

As above, the value gaps between each independent variable are very limited and tiny. The results reveal that while homebuyers are pursuing luxury residential property in Hong Kong, the practical features of all applicable perceived values and effects are important to impact their purchase intention.

SUMMARY OUTPUT						
Regression Statistics						
Multiple R	0.61113853					
R Square	0.373490303					
Adjusted R Square	0.360638822					
Standard Error	0.380893373					
Observations	200					
ANOVA						
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	4	16.86525762	4.2163144	29.0620439	0.000000	
Residual	195	28.29055358	0.14507976			
Total	199	45.1558112				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	1.016438519	0.405384355	2.5073452	0.01298053	0.216937851	1.815939187
Functional Effects	0.242806727	0.064411109	3.76964052	0.00021659	0.115774877	0.369838578
Interpersonal Effects	0.216251509	0.060280991	3.58739138	0.00042232	0.097365093	0.335137924
Personal Effects	0.122384326	0.061390618	1.99353468	0.04759677	0.001309501	0.243459152
Investing Effects	0.244357672	0.059867741	4.08162505	0.000065	0.12628627	0.362429073

Summary Output # 1 showing the Multiple Linear Regression Results of the Field Study

4.7.2 Statistical Result of the 5th Independent Variable

In addition, the sum of four major independent variables, which could be called as the fifth independent variable in Summary Output # 2, the Convergence of Perceived Value, was conducted by simple regression and its result was also statistically correlated to the Purchase Intention (F = 114.50, $p < .01$). The Dependent Variable, *Purchase Intention*, was also found positively correlated to the final Independent Variable, *Convergence of Perceived Value*, (β = 0.8166, $p < .01$). The adjusted R square of this measure was 36.32 % meaning that a significant portion of the variance of the Purchase Intention could also be explained by this sum of four effects – The Convergence of Perceived Values is important to impact the homebuyers' purchase intention.

Regression Statistics						
Multiple R	0.605312975					
R Square	0.366403798					
Adjusted R Square	0.363203817					
Standard Error	0.38012857					
Observations	200					
ANOVA						
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	1	16.54526071	16.54526	114.5019	0.00000000	
Residual	198	28.61055048	0.144498			
Total	199	45.1558112				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	1.065236163	0.40014561	2.662121	0.008403	0.276142026	1.854330299
Convergence of Perceived Value	0.816582088	0.076312126	10.70055	0.000000	0.666093242	0.967070935

Summary Output # 2 showing Simple Regression Result of Field Study

Fitness of the Model using Regression Statistics

- Multiple R is the correlation of coefficient showing how well the data clusters around the regression line. The closer this value is close to 1, the more linear relationship the data is. In

scenario, the value of Convergence of Perceived Value is to use to predict Purchase Intention.

- R Square is the coefficient of determination showing the percentage of variation in the dependent variable, which can be explained by the linear relationship between the independent variable and dependent variable. That is the extent of how accurate the linear regression model to predict the Convergence of Perceived Value of the homebuyers based on their Purchase Intention.

Fitness of the Model using Confidence Intervals

To determine the accuracy of model, confidence interval for the slope of regression line needs to be set at 95%, which means of 95% confidence of the true increase in Purchase Intention for a point increase in **Convergence of Perceived Value** is between .666093 and .967071

- The lower endpoint is revealed "*Lower 95%"* column and the "Convergence of Perceived Value" horizontal row.
- The upper endpoint is revealed "*Upper 95%"* column and the "Convergence of Perceived Value" horizontal row.

4.8 Hypotheses Testing

This study was conducted via multiple regression analysis to test the hypotheses using Excel. The four influential variables derived from previous research, i.e. **Functional Effects, Interpersonal Effect, Personal Effects** and **Investing Effects** were reflected as independent variables, while **Purchase Intention** was used as a dependent variable. The table # 15 shows the results of regression analysis. All four independent variables were considered to have significant relationships with all five hypotheses with p-values <.05.

Table 15: Coefficients[a] - Four Independent Variables

Independent Variables	P-value	Beta (β)	t-value
Functional Effects	**0.00021659**	**0.242806727**	**3.76964052**
Interpersonal Effects	**0.00042232**	**0.216251509**	**3.58739138**
Personal Effects	**0.04759677**	**0.122384326**	**1.99353468**
Investing Effects	**0.000065**	**0.244357672**	**4.08162505**

Dependent Variable: Purchase Intention

As regression analysis is to generate the statistical relationship between five predictors and the response, the output summaries reveals followings:

1) **P-value**: An output indication of P-value (<.05) can be a mean of a rejection of null hypothesis. In other words, five independent variables that have low P-value are likely to be meaningful, and additional to the model because the changes in the predictors' values are related to the changes in the response variable (Kotrlik, *et al*., 2011).

2) **F-Test:** After the regression was conducted, the F-value and significance level of that F-value would be shown in the output. When F-value is statistically significant (<.05), this symbolizes that all five independent variables performed a good fit to anticipate the outcome, and proves that there is a significant correlation between the set of independent variables and the dependent variable.

3) **Coefficient**: In simple and multiple linear regression, the size of the coefficient for each independent variable appears the size of individual effect that each one is having impact on the dependent variable (Princeton University, 2016). In application, the results in both simple and multiple regressions explain how much the dependent variable is expected to be increased, if the coefficient(s) is/are positive.

4) **R-Square**: In statistical mean, the coefficient of determination is the proportion of variability in the data set which shows how close the data are to the fitted regression line. In other words, the percentage reveals that the model predicts the value of dependent variable based on several given value of independent variables. It provides a total effect and measures of how well observed outcomes are shown on the statistical model from the testing of hypotheses.

Hypothesis 1 examined the association of the Functional Effects with Purchase Intention. It seems very positive, with the number of $\beta = 0.2428$ and p-values less than .01 and is significant. Hypothesis 2 examined the relationship between the Interpersonal Effects and Purchase Intention. It is supported where Interpersonal Effects have a significant positive association to Purchase Intention ($\beta = 0.2162$, $p < .01$). Hypothesis 3 examined the relationship between Personal Effects and Purchase Intention. It is supported that Personal Effects have a significant and positive association to Purchase Intention ($\beta = 0.1223$, $p < .05$). Hypothesis 4 which also examined the relationship between the Investing Effects and Purchase Intention. It is explicitly supported that Investing Effects also have significant and positive association to Purchase Intention ($\beta = 0.24435$, $p < .01$). Therefore, the p-values and Beta weights in the table # 15 for Hypothesis # 1 – 4 are supported. The p-value and Beta weight in the table # 18 for Hypothesis # 5 which clearly shows the relationship, Convergence of Perceived Value has positively association to Purchase Intention ($\beta = 0.8165$, $p < .01$).

As shown in the results of multiple regression analysis, all four variables show significant and positive associations to Purchase Intention. As shown in the tables # 16, the adjusted R square suggested that 36.06% of the Purchase Intention can be explained by these four variables ($F = 29.06$, $p<.001$) in the table # 17. Investing Effects have the strongest effect as coefficients beta = 0.2443, then Functional Effects coefficients beta = 0.2228, then Interpersonal Effects coefficients beta = 0.2162 and then

Personal Effects coefficients beta = 0.1223. The model generated from the multiple regression analysis has a reasonable level of representativeness in the prescribed predictor variables.

Table # 16: Summary of Research Model – Four Independent Variables

R	R Square	Adjusted R Square
0.6111	**0.3734**	0.3606

a. Dependent Variable: Purchase Intention
b. Predictors: Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects

Table # 17: ANOVA – Analysis of Variance – Four Independent Variables

	Sum of Squares	Degree of Freedom	Mean Square	F
Regression	**16.86525762**	**4**	**4.2163144**	**29.0620439**[b]
Residual	**28.39055358**	**195**	**.14507976**	
Total	**45.1558112**	**199**		

a. Dependent variable: Purchase Intention
b. Predictors: Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects *p<0.05, **p<0.001

As per results, the findings of four antecedents were positively and significantly influenced and correlated with the consequence, all observed variables were very symmetric and unanimous, and the result of each effect can be explained as

Functional Effects can create consumers a sense of sensory pleasure, aesthetic beauty (Wiedmann *et al.*, 2009), material superiority, technical excellence (Zhan and He, 2012) uniqueness (He, *et al.* 2010) and good taste of brand choice and preference.

Interpersonal Effects can create consumers a sense of conspicuousness, identity, status, social standing and the power of associated respect, consideration and envy of others (Eastman and Eastman, 2011).

Personal Effects can create consumers a sense of self-ownership of possession (Wong, 1997), hedonic and emotional values, superior quality and self-actualisation (Vigneron and Johnson, 1999).

Investing Effects can create consumers a convenience of location, living preference and choice, benefits of wealth accumulation, long-lasting existence of the property, and heredity to the next generation.

Table # 18: Coefficients[a] – Convergence of Perceived Value

Independent Variables	P-value	Beta (β)	t-value
Convergence of Perceived Value	0.00000	0.816582	10.70055

Dependent Variable: Purchase Intention

As obtained from the results of simple regression analysis, the 5th Independent variable shows significant and positive associations to Purchase Intention. As shown in the tables # 18, 19 and 20 the adjusted R square suggested that 36.32% of the Purchase Intention can be explained by the coefficients beta = 0.816582 of 5th variables, Convergence of Perceived Value, ($F = 114.50$, $p<.001$) in the table #20. The model generated from the simple regression analysis has a reasonable level of representativeness in the prescribed predictor variable.

This step was just to reinforce the validity of the tested hypotheses and ensure the association of four effects to the *Purchase Intention*.

Table # 19: Summary of Research Model – Convergence of Perceived Value

R	R Square	Adjusted R Square
0.6053	0.3664	0.3632

a. Dependent Variable: Purchase Intention
b. Predictor: Convergence of perceived Value

Table # 20: ANOVA – Analysis of Variance – Convergence of Perceived Value

	Sum of Squares	Degree of Freedom	Mean Square	F
Regression	16.54526071	1	16.54526	114.5019
Residual	28.61055048	198	0.144498	
Total	45.1558112	199		

a. Dependent variable: Purchase Intention
b. Predictor: Convergence of Perceived Value $p<0.001$

Both regression results, whether simple or multiple regression, fully reflect the extent of Purchase Intention which are significantly affected by four prescribed variables - perceived values within the domains of Functional, Interpersonal, Personal and Investing effects. In addition, the dependent variable, as shown in the tables # 18, 19 and 20, can also be aligned with the 5th independent variable, which is the Convergence of Perceived effects. Each outcome of each independent variable and the integrated sum of variable (Convergence of Perceived Value) shows a strong correlation with the dependent variable.

4.9 Residual Analysis

Residuals are the difference between any data point and the regression line (Statistics How to, 2018) and can be deemed as "**errors**". The residuals are the observed value minus the fitted values, and they are always plotted against predicted values (Adams *et al*., 2007). These errors in the summary output are not something erroneous; but they are just some unexplainable difference in the analysis. In other words, the residual is the error that cannot be explained by the regression line.

Residuals are helpful in evaluating the adequacy of the regression model itself relative to the data and any assumptions in the analysis (Quality Progress, 2008). According to Statistics How to (2018), residual (e) can also be supported by an **equation**. The *e* is the difference between the predicted value ($\hat{y}$) and the observed value. The scatter plot is a set of data points that are observed, while the regression line is the prediction.

$$\textbf{Residual} = \textbf{Observed Value} - \textbf{Predicted Value}$$
$$e = y - \hat{y}$$

A residual plot is a graph that shows the residuals on the vertical axis and the independent variable on the horizontal axis (Stat Trek, 2018). The residual plot helps to decide whether a linear model is an appropriate choice for the data. If the spread of the points are randomly distributed on the

horizontal axis of a residual plot, a linear regression model seems proper and correct to match the data.

There is one residual for each observation. In other words, 200 residuals of 200 samples are revealed on each of four residual plots (Appendix 11, p. 211 - 218). Statistical tools normally standardize residuals to show them on a common scale, which will be used in residual plots for the purpose of a) identifying outliners (commonly, standardised residuals < -2 or + 2) and b) showing an insight about the assumption that the error term with a normal distribution.

Vogel (2010) describes that the residual plot can be explained as being something like a magnifier of the modelling process, which shows the modelling situation – the residual plot magnifies what are the left over, and depicts the measurement of linear function with the averaged ratio of width and length.

As mentioned earlier, analysis of the residuals is an effective visual assessment for evaluating the fit of the model to the data and deciding whether the model is feasible. The suggestive approach is to evaluate a variety of residual plots and examine the patterns and trends (Quality Progress, 2008).

According to Bellloto and Sokoloski (1985), the residuals are simply adhered to the formula of **Observed Value** minus **Predicted Value**. The residuals (y-axis) are plotted as a function of an independent variable, or a dependent variable (x-asix). Residual plots should look like that given in Appendix 11, p. 211 - 218.

Functional Effects: No obvious outliers can be found. Points are distributed within the boundary of +1 and -1, mainly dispread on 4 to 6.4

Interpersonal Effects: No obvious outliers can be found. Points are distributed within the boundary of +1 and -1, mainly dispersed from 4 to 6.5

Personal Effects: No obvious outliers can be found. Points are distributed within the boundary of +1 and -1, mainly dispersed from 4 to 6.5

Investing Effects: No obvious outliers can be found. Points are distributed within the boundary of +1 and -1, mainly dispersed from 4 to 6.75

Convergence of Perceived Value: No outliers can be found. Points are distributed within the boundary of +1 and -1, mainly dispersed from 4.5 to 6.

1) They are fairly symmetrically distributed, tending to cluster towards the middle of the plot
2) They are clustered around the higher single digit of +1 and lower single digit of -1.
3) In general, they are having random patterns.

Erickson (2005), as cited by Vogel (2010, p. 3), formulates "*How close is close enough*?" A real function never goes through all the points. The residual plots show a fairly random pattern of each, which the residuals in Appendix 11 (p. 211 – 218) are positive. This random patterns are shown that a linear model illustrates a decent fit to the data.

4.10 Summary

This Chapter contained of analysis of two parts which reported the demographic information and the results from the data collection. The graphs and tables were sorted out and presented by using descriptive manner, used of charts to reveal all obtained personal data (i.e. Gender, Nationality, Occupations, Positions, Educational Levels, Living Districts, Number of Children and Purchase Inclination in coming 24 months); distinguished the differences between majority and minority of people, among 200 respondents. Secondly, the measures of central tendency was expressed as Median, Median and Mode. Thirdly, analysis of their ranking scores from scale items 1 to 39 of the survey questionnaire was conducted by two phases of regression. A simple regression has also been

conducted to test for individual relationship between the dependent variable, and subsequently conducted the group test by multiple linear regression for an entire picture.

As compared with all three descriptive and statistical results, the most important determinant is Investing Effects, 2nd is Functional Effects, 3rd is Interpersonal Effects and then the least one of Personal Effects.

Chapter 5: Conclusion

Developers in Hong Kong are now under the changing trends and would like to differentiate all prestige properties to the niche markets for more firm and optimistic situation. Therefore, they will spend their marketing efforts and activities on most expensive properties perch at the very top of the developments, guarantee stunning views of Hong Kong dramatic skyline on clear days (McMillan 2005).

The literature review and journal references reveal that there is no similar study on the topic in Hong Kong. Luxury properties are prestige products which can be sold and bought with many purposes in mind. Empirically the argument is hard to assure whether the recent financial surge in property values in Hong Kong is speculative or not. The phenomenon of money investments or speculations into real estate market is not so much driven by the expected future rental yields from the properties but rather by a desire to store value. The truth is that people in Hong Kong as well as China are wealthier than they used to be (Lai and Yu, 2003, p. 156 - 157).

The table # 21 reveals the increases and the dynamic of price changes in the past nine years, starting from the years of 2007 to 2016. In the last nine years, the property value has been upswing from 85% to 300 % based on the changing purchase prices, scarcity of supply and strong demand. This proves that the considerable boosts in the value of homes and the appreciation of property value are the fundamental base of why people like speculating, buying, owning and holding the properties. Again, price is only a pecuniary value or consideration to any transactions which the buyers will pay and the sellers will charge at a time and situation of any purchase. As a result, price is not the most important consideration or any independent variable in the study, even though most of the people intuitively feel that price is the key to value. From the investing standpoint, price will fluctuate and change as

per different political and economic situations, and seem to be a standard valuation tool to decide the property value at a time in the market, other than a role as one of the perceived values in this study.

Housing demand, at any time, is a function of real income, interest rate and price combined, rather than a constant or fixed quantum worked out by planners (Lai and Yu, 2003 p. 152). At the worse time, flops of price may further reinforce the belief of all investors or speculators to store of value and all these speculative purchases can be further fuelled. In fact, sagging market can be a chance value to create future opportunities.

As per the results of the study, the consumer behaviour involved in any home purchase is heavily based on four critical effects which are Functional, Interpersonal, Personal and Investing purposes. Each effect consists of three perceived values which are highly referred from various scholars who have used their conceptual framework and empirical results for typical luxury products. The combination and integration of several theories are successfully transplanted, used, and well interpreted, and can be applicable in the way of exploration in this category of products.

As for the individual result, which was conducted by simple regression method, Functional Effects were the most important, Investing Effects were the second important one, then Interpersonal Effects and the final one was Personal Effects.

Buyers' preferences and choices are fully reflected in this chapter. Based on the results of multiple linear regression method, Investing Effects in this study were the most important independent variable, Functional Effects were the 2nd important one, followed by Interpersonal Effects and Personal Effects, even though the difference between each one was limited and tiny.

		Less than 40 m^2			100 m^2 to 159.9 m^2			160 m^2 or above		
		港島	九龍	新界	港島	九龍	新界	港島	九龍	新界
年 /	月	Hong		New	Hong		New	Hong		New
Year /	Month	Kong	Kowloon	Territories	Kong	Kowloon	Territories	Kong	Kowloon	Territories
2007	1 - 3	46 079	32 661	29 939	90 384	80 034	54 241	125 048	(103 538)	65 108
	4 - 6	49 530	34 385	30 889	99 121	83 001	55 358	138 878	(106 752)	58 146
	7 - 9	50 859	36 681	31 991	107 819	83 878	53 315	151 612	128 058	65 876
	10 - 12	58 856	41 567	35 198	120 090	113 066	60 657	175 729	145 530	81 762
2008	1 - 3	66 783	43 543	38 695	125 713	103 547	61 848	176 942	(125 109)	82 989
	4 - 6	66 296	44 107	38 133	134 334	106 411	61 617	187 349	(142 886)	77 095
	7 - 9	61 238	42 551	37 858	124 126	109 792	53 217	172 982	(162 768)	64 094
	10 - 12	52 228	39 077	34 217	99 259	87 673	51 287	146 577	(120 433)	54 006
2009	1 - 3	51 883	37 688	35 185	106 836	89 316	50 028	140 781	(128 860)	61 014
	4 - 6	58 934	42 441	37 852	114 598	96 681	58 736	162 037	(136 670)	69 176
	7 - 9	64 591	46 385	40 359	126 686	110 959	59 520	169 477	149 087	71 671
	10 - 12	67 305	48 522	41 833	131 239	105 430	58 885	185 297	(162 414)	70 567
2010	1 - 3	71 393	52 316	44 637	143 482	130 988	60 176	196 993	(157 297)	78 727
	4 - 6	72 974	53 447	46 674	142 143	126 892	65 337	200 068	(148 414)	66 992
	7 - 9	77 057	56 912	49 161	146 515	138 652	68 947	226 106	(181 901)	74 008
	10 - 12	82 287	59 966	52 205	162 965	139 247	70 911	201 478	(174 822)	78 665
2011	1 - 3	91 355	66 010	56 492	160 535	152 870	69 934	209 020	(199 613)	81 979
	4 - 6	95 329	69 067	59 607	173 768	150 622	77 876	256 192	(208 825)	93 093
	7 - 9	94 127	68 682	60 131	173 327	177 721	71 299	197 836	(256 513)	74 757
	10 - 12	94 432	67 082	56 471	170 491	140 601	73 748	282 246	(158 330)	60 254
2012	1 - 3	99 121	72 601	61 740	168 308	143 250	75 380	252 848	(157 532)	82 803
	4 - 6	106 001	78 010	64 630	175 510	167 813	74 322	269 919	(184 272)	85 268
	7 - 9	112 178	83 785	71 837	176 183	156 904	80 387	261 850	(195 807)	92 897
	10 - 12	119 987	88 453	76 507	190 593	166 251	77 331	250 096	(237 290)	88 800
2013	1 - 3	125 234	93 092	82 801	183 757	156 447	77 147	256 091	(188 304)	92 480
	4 - 6	122 777	95 887	83 067	186 240	150 027	83 599	242 500	(211 191)	62 156
	7 - 9	124 242	95 929	84 160	185 668	158 376	79 474	(289 194)	(183 654)	83 347
	10 - 12	120 482	94 482	82 597	184 322	165 666	80 230	250 268	(192 939)	77 344
2014	1 - 3	122 433	95 513	84 218	182 473	164 398	79 792	266 883	(373 385)	70 722
	4 - 6	124 425	100 895	88 508	177 510	161 947	88 385	230 715	(226 443)	69 956
	7 - 9	130 380	105 432	92 835	182 442	151 824	86 776	238 744	(210 029)	73 387
	10 - 12	135 771	112 686	98 179	192 334	167 152	85 958	263 096	(201 508)	78 353
2015	1 - 3	145 472	116 538	105 264	199 787	167 436	95 656	213 748	(294 094)	81 946
	4 - 6	147 340	119 171	109 567	201 230	180 746	95 641	229 936	(158 998)	109 677
	7 - 9	150 803	123 021	112 574	194 844	157 296	100 295	273 564	(216 873)	78 994
	10 - 12	139 916	110 253	101 504	197 276	151 996	96 887	(233 201)	(215 609)	79 968
2016	1 - 3	129 575	104 597	96 175	183 185	162 889	86 527	(213 821)	(197 490)	79 916
	4 - 6	131 112	107 941	97 917	195 855	156 195	91 499	229 330	(213 527)	82 156
	7 - 9	138 767	113 645	103 091	191 627	161 853	99 158	232 381	(258 067)	78 300

Table # 21 showing Private Domestic Property Values– Average Prices by Class (2007 – 2016)

Source: Hong Kong Monetary Authority (2016)

Previous studies on consumption patterns and purchase intention for luxury real estate, while laying out and dimensionalising various root aspects of consumer behaviour and value-perception, have laid theoretical foundations in the literatures and provided perspectives for considering luxury products based on product characteristics to luxury residential properties based on Functional Effects, Interpersonal Effects, Personal Effects and Investing Effects. The theoretical gap seems to be a difference between the behavioural factors affecting luxury goods and luxury residential properties.

To reiterate and conclude the discussion of these essential four effects and their relationships with the Purchase Intention for luxury residential properties in Hong Kong, the research issues are restated below

A) Why are several effects that emphasize the perceived values will lead a luxury property to be important.
B) How are value-perception dimensions on Consumers' propensities and buying intentions about this sort of properties?
C) What perceived values, motivations and beliefs regarding luxury residential properties are held by such cluster of homebuyers?
D) What are relative attitudes versus norms to behavioural aspects to purchase luxury residential properties in the context of Hong Kong market?

To restate the research question:

To what extent do Functional, Interpersonal, Personal and Investing Effects influence property buyers to purchase luxury residential properties in Hong Kong?

and simultaneously conclude the evidence that all these effects and perceived values are major components of value perception, which can be embedded into behavioural cognitive and affective components. The question to *what extent do these effects influence property buyers to purchase the luxury residential properties in Hong Kong* has moved to the forefront of the study. In answering the

question, research has borrowed several similar theoretical frameworks from other disciplines, enhancing the portrayals to elucidate the phenomena unique to consumer research – specifically the role of homebuyers play in selecting and expressing their preferences and the interactive effects of these choices on a purchase for residential property.

The analysis of collected data provided answers to the research question – dealing with five hypotheses and providing an explicit managerial implications of the research question. Looking at the detailed results of the study in Chapter 4, the sequence of the important effects in the study are

5.1 As seen in section 2.6, ***Investing Effects*** consists of three prescribed perceived values (**Locational**, **Compounding** and **Eternal Values**). In the statistical results of survey, it is the most important effects when homebuyers have a purchase intention and consider a property purchase.

In a behavioural context, investors who believe they are capable of controlling and growing their wealth normally have positive expectations for gain in a period of time and, hence, proper set of motivation drivers, experience and choices. According to Woychuk (2009) and Investopedia (2016), these investing-directed motives are widely driven by the desire to create and expend wealth. What further contributes to investors' motivations and choices is their valuing of a Return of Investment, as well as the locational advantage, compounding benefits and hereditable assets.

Location is a key factor dispute not being easily explained by monetary value. However, most of the Hong Kong developers seek good sites when they bid the lands, and package the place with a special embellishment such as an infusion of branded place, street numbers and the surrounding environment, to emphasize the place value. For those with most resources, focusing on the property investment can offer a good Return on Investment, especially if they consider locations where the prices are on the rise. Current homebuyers like living in the same areas base on their inclinations and daily lives, and

other residents will also adore to live in the same area because of the better amenities of all sorts Thus location may commend a value premium. Roulac (2007, p. 434) also mentions "*The mantra of "location, location, and location" is less-than-articulate expression of what drives property appeal, value, and development potential".* The results found in this research revealed that location was the 3rd important factor out of the 12 perceived values. The pursuit of homogeneity is to tend to be a Homogener.

Compound can be explained as a mixture of accumulative benefits which the homebuyers can obtain from the start of purchase. Homebuyers who buy, own and hold the properties can earn diversification value, yield enhancement, inflation hedge, influence of performance (Woychuk, 2009) and risk reduction (Investopedia, 2018). The table # 21 explicitly shows the dynamics of price changes and implies two predictions of "earn tomorrow's money" and "earn ahead of revenue". Furthermore, real estate can be used to reduce risk in the way properties are leased (Investopedia, 2018). That is why many wealthy people consider residential properties for the solid return rather than other sorts of investment tools, and the data showed that it was ranked as the most important factor out of 12 perceived values. The pursuit of profit is to tend to be an Investor.

Eternity can be a sense of belonging to the owners who want to have their own places for their families. Chinese society and cultural heritage focus on Confucian Value and people want to prepare themselves for the future. Property can be a way to build family rapport, and hold present and future assets for better future. It could also be an element of life contentment while also an investment to sustain life values for next generation. The results found that it was ranked as the 9th important factor out of 12 perceived values. The pursuit of intergeneration is to tend to be a Confucian.

5.2 As seen in section 2.3, ***Functional Effects*** consist of three prescribed perceived values (Brand, Beauty and Utility Values). In the statistical results of survey, it is the second most important effect when homebuyers have a purchase intention and consider a property purchase.

In a behavioural context, home-users who believe they are capable of owning and holding their homes normally have positive expectations for functional benefits, hence, a proper set of motivation drivers, experience and choices. According to Roulac (2007), these function-directed motives are commonly driven by the desire to maximize individual benefits. What further contributes to home-users' motivations and choices is their valuing of a quality brand of developer, an aesthetic judgment and the utility purpose.

Developer/Brand is a faith to homebuyers. Brand can attribute a quality and maybe the source of loyalty from the homebuyers to developers. In Hong Kong residential market, the largest developer, Sun Hung Kai Properties seems to be a preferred choice. Their slogan "Building Homes with Heart" seeks to give homebuyers a worry-free quality. This is reinforced by their service strategy such as two-year after-sales follow-up that seems like a quality guarantee to homebuyers. Roulac (2007, p. 433) says that "*The brand of a property is an integral element of its value*". It is a sort of quality combination which provides by the developer/brand. Therefore, homebuyers love pursuing everything of such a developer or a brand and have a strong brand loyalty. The results found that it was ranked as the 11th important factor out of 12 perceived values. The pursuit of loyalty is to tend to be a Follower.

Beauty can be referred a view of the property or its surrounding environment. New property usually include bespoken interior, modern fittings and custom architectural details. Homebuyers care of about directions, club house facilities, grand lobby and landscaping which can be provided by the properties.

Although artistic judgment is subjective, more comfortable views and splendid features can enhance homebuyers' appraisals. The results found that it was ranked as this factor as 12th out of 12 perceived values. The pursuit of aesthetics is to tend to be a Judge.

Utility can include structural attributes such as the size and feature of the property, the number of rooms, toilets and functional installation. According to Roulac (2007), the utility of property is a function of its design, internal and external functionality, structural quality, access, proximity and quality of resources. Homebuyers expect more spacious size and specifications to fit for their choices purposes. The results found that it was ranked as the 8th important factor out of 12 perceived values. The pursuit of space is to tend to be a User.

5.3 As seen in section 2.4, ***Interpersonal Effects*** consist of three prescribed perceived values (**Conspicuous**, **Unique** and **Social Values**). In the statistical results of survey, it is the third important effect when homebuyers have a purchase intention and consider a property purchase.

In a behavioural context, homebuyers who believe they are capable of buying and showing their superior social status normally have positive expectations for ostensible display of their wealth and financial background and, hence, proper set of motivation drivers, experience and choices. According to Sun *et al*. (2016), these social-directed motives are externally driven by the desire to impress others. What further contributes to homebuyers' motivations and choices is their valuing of a conspicuousness, rarity and social acceptance.

Conspicuousness can be a wealth display in pecuniary culture**.** People buy exorbitant products with an aim to impress others, and tell other people that they can afford luxury and high status. As Redwood (2013) cites this phenomenon as Beccaria's Theory of Luxury by saying that, "*while rich people use wealth to show their superior social status, middle class consumers will use their growing wealth to*

emulate the social class above them. Therefore, two phenomena "Pecuniary Emulation" and "Invidious Comparison" (Veblen, 1898) explain the characteristic of the homebuyers. The results found conspicuousness was ranked as the 6th important factor out of 12 perceived values. The pursuit of ostentation is to tend to be a Veblenian.

Uniqueness can mean of a pursuit of "exclusivity" or "rarity" or "a limited supply". Homebuyers who seek such traits will only pursue properties with limited numbers or special features, and at a high value, which other people find unaffordable. Homebuyers prefer paying higher prices for a scarce supply, and intending to stand out from the crowd. The results ranked it as 2nd important factor out of 12 perceived values. The pursuit of non-conformity is to tend to be a Snob.

Bandwagon can refer to people who want to get possession of social recognition or acceptance by buying something. Likewise, homebuyers care of what other people say, do, and act to consider whatever others of this group buy and own, and wherever they live. They tend to become either "one of the members" or "one of the residents". The results ranked bandwagon as the 4th important factor out of 12 perceived value. The pursuit of conformity is to tend to be a Bandwagon.

5.4 As seen in section 2.5, ***Personal Effects*** consist of three prescribed perceived values (Personal Trait, Emotional and Quality Values). The survey results, however show it to be the least important effect when homebuyers have a purchase intention and consider a property purchase.

In a behavioural context, homebuyers who believe they are capable of owning and enjoying their homes normally have positive expectations for hedonic thought and, hence, proper set of motivation drivers, experience and choices. According to Sun *et al*. (2016), these personal-directed motives are internally driven by the desire to fulfil personal goals. What further contributes to homebuyers' motivations and choices is their valuing of the control of ownership, emotion and quality values.

Personal Trait can be akin to materialism (Belk, 1985) which can be explained as a control of ownership, and a relevance to a competitive display of success and status (Wong, 1997). Homebuyers consider and buy the residential property for a hungry desire of possession and greater control of the ownership. It is likely to be a sense of strong identity with a certain degree to live in a place where can prove the status. The results found that it was ranked as the 7th important factor out of 12 perceived values. The pursuit of self-achievement is to tend to be a Materialist.

Emotion can be an individual hedonic enjoyment from a previous schema. Homebuyers had prior experience might seek another expectation for sensory pleasure, aesthetic beauty and excitement. This can be meant of a property where a place can arouse a feeling of personal reward and fulfilment. The results found that it was ranked as the 5th important factor out of 12 perceived values. The pursuit of self-actualisation is to tend to be a Hedonist.

Quality of a property is essential to homebuyers who expect and demand for merchantable quality and superior characteristics. Finer quality plays an important and durable performance of products and provides uniqueness and confidence to buyers. The results found that it was ranked as the 10th important factor out of 12 perceived values. The pursuit of reassurance is to tend to be a Perfectionist.

5.5 The Utilities of Other Works

As illustrated in earlier sections, the study focuses on the shifts in the domain from consumption to conspicuous consumption, from luxury products to luxury properties, and additionally add "investing" constructs from an investment to a desire for a purchase of luxury residential property. The contents of various theories and the works from other scholars are only used for reference, hypotheses testing and formation of research question. All behavioural constructs and theories, which have been used in the study, are applicable for conspicuous consumers who pursue luxury products. The results of other

works cannot be symmetrically comparable, but are helpful and useful in measuring the behavioural aspect and value-perception in luxury products.

As compared with other researchers, there are also several studies commenting on behavioural aspects and value-perception of the property purchase, although various scholars have measured different types of properties, different constructs in different countries, and even adopted different methodologies. For instance, table # 22 showing different cases of relevant studies

Authors	Countries	Focused on	Findings
Anastasia and Suwitro (2015)	Indonesia	Factors distinguish buyers behaviour toward purchasing a property, and Factors distinguish buyers behaviour between buyers intending to live in compared to those seeking to invest in	Financial Factor is significantly influenced the buyers' decisions. Homebuyers are concerned with psychology, emotion, intuition and evaluation, and Investors for properties are more concerned with psychology, intuition and evaluation
Fierro *et al*. (2009)	Mexico	Functional Characteristics and Locational Characteristics	Functional Characteristics are more influential in housing valuation than the Locational Characteristics
Haddah *et al*. (2011)	Jordan	Aesthetic, Economic, Marketing, Geographic and Social Constructs	The ranking sequence of the results: Economic Factor, Aesthetic Factor, Marketing factor, Social Factor and then Geographic Factor
Levy *et al.* (2007)	New Zealand	Social Collectivities	Social Collectivities affect family member behaviour
Kamal *et al*. (2016)	Bangladesh	Cultural Changes, Land Problems, Urbanization/Population Pressures and Higher Price Level	Buying Intentions are heavily based on Land Problem, and Urbanization/Population Pressure are the catalyst to increase the demand and have significant impact on homebuyers' buying attitude

Koklic and Vida (2009)	Slovenia	Consumers' Perspective on Genders' Preferences	Women and Men perceived a house differently – Women deem the house as a relation to emotional level but men tend to evaluate the house more on rational and functional level
Ratchatakulpat *et al*. (2009)	Australia	Property Physical, Distance, Environment/Location and Financial Factors to measure "live in" or "invest in" Preferences	Investing buyers are more likely "investing in" a unit, and the homebuyers are more likely "living in" a house.
Roulac (2007)	USA	Brand, Beauty and Utility Applications	Brand is the strongest, Utility is the 2nd strongest and Beauty is the 3rd one

Table # 22 showing the work of other relevant researchers in other countries

Anastasia and Suwitro (2015) focused on the buyers perspectives on residential and commercial properties in the city of Bali, Indonesia, and explored the decision making processes, which set to base on several rational factors (Physical, Locational, Environmental and Financial Factors) and irrational factors (Psychological, Emotional, Intuitional, Social and Evaluational Factors) underlying the buying process. Their results reflect that only Financial Factor (one of the rational factors) is significantly influenced the buyers' decisions. Besides, the results also reflect that homebuyers are concerned with psychology, emotion, intuition and evaluation, and the investors for properties are more concerned with psychology, intuition and evaluation. It can be said that parts of irrational factors (psychological factors) are very similar to this study, other rational factors are less important in their investigation.

Fierro *et al*. (2009) eyed on Mexico's housing attribute preferences by referring 14 characteristics, within 2 effects (Functional Characteristics and Locational Characteristics) which partially covered some similar explanatory variables such as Functional Effects (property sizes, layouts, configurations,

and designs) and Investing Effects (neighbourhood, environment and location). Surprisingly, the results indicate that all functional characteristics are more influential in housing valuation than the locational characteristics. It can be explained that their results, as compared with the functional effects of this study, are very identical to the individual result of simple regression method (Functional Effects is the most important one and Investing Effects is the 2nd one). However, they did not include any psychological variables within Interpersonal Effects and Personal Effects.

Haddad *et al*. (2011) emphasized the influential factors that affected buying behaviour of an apartment in Jordan. They use five constructs (i.e. aesthetic, economic, marketing, geographic and social constructs) as dimensional measure. The results reflect that the sequence of their findings are Economic factor, Aesthetic factor, Marketing factor, Social factor and then Geographic factor. It can be explained that their chosen constructs and even the results are very different, as compared with this study.

Levy *et al*. (2007) used an in-depth interview to explore family decision-making process in Auckland, New Zealand when buying a house. They focus on how social collectivities (i.e. households, peer groups and ethnic groups) affect family member behaviour, and report how members of the family, extended family members, friends and estate agents can affect the decision-making process, and even profoundly alter the final choice of property. They conclude that the estate agents can play a role of friendly advisor to influence the family purchase decision. It can be said that the behavioural aspects of homebuyers in New Zealand are very different, as Hong Kong homebuyers will not merely rely on social collectivities for any decision-making.

Kamal *et al*. (2016) conducted another one in Bangladesh, which investigated the impact of homebuyers' buying attitude on buying intention. They used Cultural Changes, Land Problems,

Urbanization/Population Pressures and Higher Price Level as constructs to measure the buying attitude and then the Buying Intention. Their model reflects that the buying intentions are heavily based on Land Problem, and Urbanization/Population Pressure are the catalyst to increase the demand and have significant impact on homebuyers' buying attitude. However, they prefer using of other Macro-environmental factors to measure the buying attitude and the buying intention, rather than the Micro-environmental factors.

Koklic and Vida (2009) investigated a qualitative study in Slovenia with an objective of examination of consumers' perspective. They report that all participants view the house purchase as a part of personality or the extended self, and house ownership can help them to well express their lifestyles. In conclusion, Women and Men perceived a house differently – Women deem the house as a relation to emotional level but men tend to evaluate the house more on rational and functional level. In Hong Kong, there is no similar study on the behavioural issue of gender.

In addition, Ratchatakulpat *et al*. (2009) explored the factors that the homebuyers consider when purchasing residential property in Queensland, Australia, and referred to 4 factors: Property Physical, Distance, Environment/Location and Financial factors to measure the homebuyers' preferences. The key results predict that the investing buyers are more likely "investing in" a unit, and the homebuyers are more likely "living in" a house. It implies that the demographic details (i.e. age) reflect their propensities of needs, whether they want to "live in" or "invest in", and whether they want to purchase a "unit" or a "house". The findings of this case seem to be very similar and common, as Hong Kong Homebuyers will tend to "live in" and "invest in" preferences.

As above, a direct comparison between several studies is less appropriate. The obvious difference is that various homebuyers in the world are seeking for different value orientations as preferences and

choices, even though "*shelter is the one of fundamental needs of people of any country*" (Kamal *et al.* 2015, p. 163). Therefore, gaps are emergent in different places and in the eyes of different races of homebuyers.

In the absence of empirical results and entire picture, some theories play the most basic and fundamental building blocks outlining "what" elements such as variables, constructs and concepts as part of the explanation of the social or individual phenomena of interest (Whetten, 1989; Miles, 2012 p.2). Then "How" elements will be interpreted as conceptual diagram to identify whether the constructs or related or not. Subsequently, the "what" and "how" elements create the domain of the theory and "why" parts of a theory describe what they are. Researchers assume all theoretical elements that assemble all the parts together, and testify all the propositions of a theory (hypotheses).

Besides, other possible factors such as *Who, Where,* and *When* need to add to the theory. For instance, the topic portrays a cluster of luxury residential buyers and the developers Who played the role of "demand" and "supply" sides; and Where and When showed the occurrence of the phenomena. All these conditions should be able to reveal the boundaries of generalisability (Whetten, 1989).

Whetten (1989) summarizes that *What* and *How* play a role in portrayal and provide a framework for interpreting patterns or finding flaws, and *Why* plays a role in elucidation and provides a picture of hypotheses, and ultimately fills in the gap.

To reiterate, this study can be justified on two grounds: The behavioural gaps in current academic constructs between luxury goods and luxury residential properties in Hong Kong, and the perceived values of the purchase intention for practice of the research results. All hypotheses bring out a literature gap which can be generated as a relationship between each other, and combined them as a new ground for exploration.

Obviously, the constructs of behavioural and psychological matters in luxury products are not sufficient for a full coverage of behavioural aspects in luxury residential properties. Therefore, all applicable constructs need to be adjusted, added/dropped and combined, to ensure a multitude of interactions between the consumer and elements within the environment (Vigneron and Johnson, 1999).

5.5.1 Functional Effects of Other Works

Roulac (2007) presents and investigates Brand, Beauty and Utility as constructs of Property Value, mainly focuses on majority of genuine home-users who pursue that sort of functionality. He believes that the theory of property value consists of these three factors, and provides specificity and direct connection to the homebuyers' objectives, priorities and experience. As shown in table # 23, his findings were heavily based on the analysis of descriptive data on 55 family residential properties drawn from throughout the world. The comparable results between Roulac (2007) and this study are as below

Results from	Roulac (2007)	Roulac (2007)	This Study
Territories	55 Places in the World	United States	Hong Kong
Sample Size	55 Family Residential Properties	23 Family Residential Properties	200 Informants
Purpose	Valuation – Pecuniary Property Value	Valuation – Pecuniary Property Value	Behavioural Measurement & Value-Perception
Brand	44.89 % - The most Strongest	48.30 % - The most Strongest	2nd Strongest
Beauty	33.29 % - 2nd Strongest	23.74 % - 3rd Strongest	3rd Strongest
Utility	21.82 % - 3rd Strongest	27.88 % - 2nd Strongest	The most Strongest

Table # 23 Different Results between the relevant work of Functional Effects and this study

Inspired by Roulac (2007), this study revisited these three containments as constructs of functional effects. His previous findings supported that 3/4 of the value of the properties assessed was

represented by Brand and Beauty other than Utility, Notably, USA domain reflects more emphasize on Utility but less on Beauty than non-US properties. In contrast, the results of this study were surprisingly revealed that, within the pre-set Functional Effects, Utility was the most important preference and choices, Brand was the 2nd strongest and Beauty was the third one within the realm of Functional Effects. This can be proved that the results of behavioural study in Hong Kong are somewhat different, as compared with Roulac's one in United States and 55 places in the world.

In addition, the ranking sequence of this study was Utility (Ranking Position #8th); Brand (Ranking Position # 11th) and Beauty (Ranking Position # 12th) which were not identical to what Roulac's measure.

5.5.2 Interpersonal Effects of Other Works

In this study, the context of interpersonal effects consists of three prescribed components (Perceived Conspicuous Value, Perceived Unique Value and Perceived Social Value) which are very akin to the wealthy people who pursue luxury products. According to Veblen (1899) and Leibenstein (1950), the behavioural aspects and value-perception to pecuniary effects (e.g. Veblen, Snob and Bandwagon effects) fully reflect in the human behaviour of wealthy people. Kastanakis (2012) demonstrated that in marketing conceptualization, Perceived Conspicuous Value appears when consumer preference for a good increase can be set as a direct function of its price, Perceived Unique Value occurs when consumer preference for a good increase as its quantity in the market is decreased, and Perceived Social Value is observed where consumer preference for a good increase as majority of people are willing to buy it. Vigneron and Johnson (1999) created a conceptual model, based on the results of Dubois and Laurent (1994) to illustrate how important about the reference uses of such interpersonal effects, which its prestige-seeking behaviour can be observed in the luxury product markets. What if this conceptual theory can be applicable in luxury residential properties?

At recent date, Chuon *et al*. (2017) conceptualise another identical framework of luxury residential property, heavily based on an assumption and extensive review of other relevant literature, which is most likely the same as the one as Vigneron and Johnson (1999). They observe that most of the luxury homebuyers are mostly influenced by the homebuyers' own personal background, experiences and exposure. It can be implied that wealthy homebuyers care of their individual's social positions and consumption experiences as well as their expectations for status and identity.

Without any supports from other literature, these two theoretical frameworks can be applied to the Interpersonal Effects or can be used for measurement of conspicuous homebuyers. Although there is no previous evidence or investigation to support their rationale, the results of this study can therefore reinforce their voices – Unique Value (Ranking Position # 2nd) was the most important one; then Social Value (Ranking Position # 4^{th}) and Conspicuous Value (Ranking Position # 6^{th}) in the measurement of Interpersonal Effects, which is not comparable with two conceptual frameworks of Vigneron and Johnson (1999) and Chuon *et al*. (2017).

5.5.3 Personal Effects of Other Works

With reference to other literature, Wiedmann *et al.* (2009) work out another conceptual framework, which contributes a common ground of variables as good as the one from Vigneron and Johnson (1999). The investigation focuses on the luxury value perception of the expensive brand products with a base on the social, individual, functional and financial aspects. Chuon *et al*. (2017) conclude Personal Effects as Experiential Dimension, which include Sensorial Pleasure, Hedonism and Personal Identity, and set to be a part of their conceptual framework for luxury residential property. Unfortunately, none of them has provided empirical results except Wiedmann *et al*. (2009) who have reported the results for luxury products. The results say that materialistic value for the luxury goods shows the highest ranking, whereas other investigated factors are less important.

In order to evaluate what suits to be used as Personal Effects in this study, Wiedmann *et al*. (2009) conclude that Self-identity Value, Hedonic Value and Materialistic Value as Individual effects, while Vigneron and Johnson (1999) interpret Emotional Value and Quality Value as Personal Effects. The study picks Materialistic Value from Wiedmann *et al*. (2009) and uses of both Emotional Value and Quality Value from Vigneron and Johnson (1999) as measurement of Personal Effects.

Without any empirical evidence, Emotional Value plays as the most important role (Ranking Position # $5^{th)}$, Personal Trait Value, also called as Materialistic Value, is second important factor (Ranking Position # $7^{th)}$, Quality Value is the third important factor (Ranking Position # 10^{th}) in the entire ranking positions.

5.5.4 Investing Effects of Other Works

The integration of this part of conceptual framework is initialised by several scholars (Roulac, 2017: Wang *et. al*. 2011: Woychuk, 2009: Pornchokchai, 2011: Berges, 2004: Eldred, 2009: Cunningham, 2004) who have worked on the relevant variables of Investing Effects. The aim of theory combination of this study is to maximize all ideal and feasible concepts and ideas as a workable template, and extend the boundary of how the extent of these three elements (Perceived Locational Value, Perceived Compounding Value and Perceived Eternal Value) affect the purchase intention.

Ting and Tan (2015) illustrate that residential property has been deemed as a major component in the household and personal wealth. The purchase for a residential property has compelled a big commitment for a disproportionate amount to the property, leaving little pecuniary resources for other types of investment. However, their study is heavily based on the secondary data and just to compare with other financial assets such as Bonds, Shares and Houses, and their results are inferentially revealed which types of property should be included in mixed-asset portfolio. One the other hand, the

observation of Murphy (2010, p.9) and the historical data in the past decade prove a undeniable evidence to support an advantage of investing reality.

This part consists of Locational Value, Compounding Value and Eternal Values which will not be identical to the contents of most of the literature. Without any empirical evidence, the results of this study seem to be inexorable facts in Hong Kong. Compounding Value is the most important one (Ranking Position # 1st); Locational Value is the second (Ranking Position # 3rd) and Eternal Value is the third (Ranking Position # 9th) in the entire ranking positions.

5.6 Summary

In this Chapter, it is a recall from the contents of Chapters 1 – 4 resulting in a conclusion of the study, and a brief reporting of all relevant studies from other countries.

The topic is provided a comprehensive analysis of behavioural constructs examining the rationale for the support and emergence, its linkage to several perceived values and effects that prove the importance of human thoughts on their preferences and choices, which imply different attributes to their desired values.

In a behavioural context, homebuyers who believe they are capable of buying and choosing all these perceived values normally have positive expectations for new height of life hence, proper set of motivation drivers, experience and choices.

As above, each effect and perceived value affect and arouse homebuyers' inclinations, and the convergence of perceived values could definitely influence their purchase intention. The study thus comes out a positive outcome about each influencing power of four explanatory variables, which can be used to impact the Purchase Intention for a purchase of luxury residential property. The results are

fully logical, coherent and consistent with prescribed research design and approach, and their implications are identical to various literature, which investigate the luxury items. This can be concluded that the behavioural aspects and value perception for luxury residential property is very akin to the luxury items. Therefore, all four independent variables and the convergence of all perceived values are very influential when homebuyers consider buying luxury residential properties in Hong Kong.

Chapter 6: Discussions and Managerial Implications

In previous sections, homebuyers purchase behaviour was illustrated and analysed from theoretical, conceptual and empirical manners. The study reveals a solid foundation for an explicit understanding of each key determinant, and relationships between each other.

This study was finalised to familiarize the interested parties with the behavioural context of the Hong Kong housing market, and issues that influence them. It also focuses on developing an understanding of homebuyers' preferences and choices that shape and impact their purchase intention.

The aim of study is to understand what are the behavioural aspects and value perception of a group of homebuyers who can afford and pursue the luxury type of residential properties. The growing demand reveals that wealthy homebuyers are interested in the type of properties passionately. Developers often spend time and effort developing marketing strategies with objectives to reach more audiences, and attempt to inform consumers about their product attributes. However, many of marketers believe that consumers are primacy, but ignore the key factor of "consumer expectations". Therefore, homebuyers' preferences and choices can truly recall their previous experience and think of their future expectation.

Looking at the analysis of descriptive statistics and inferential statistics, it is more appropriate to refer to these two types of results that conclude a lucid insight of obvious difference among the independent variables, when finding the significant relationship with the dependent variable – Purchase Intention.

Since consumer behaviour is a complex study, and the preferences and choices of homebuyers are not only based on their affordability, but also their pent-up demand (JLL, 2017). The study compiles a list of independent variables not only to detect what the determinants are, how they work in reality

and practical way, but also to bring out who will be the right target audiences, their self-relevant experience, preferences and choices, and their expectations on this sort of particular commodities.

Apart from both results of inferential statistics, the feedback of overwhelming responses on the most important preferences and choices prove and imply that the Compounding Value, within the constructs of investing effects, reflects why Hong Kong homebuyers pursue properties in the past 20 years. The accumulative growth of 300% - 400% pecuniary value is a strong impetus, and thus bankable investment is an economic driver, which its performance of growth is impressive all the time.

The 2nd most important preference proves that the unique value, within the constructs of Interpersonal Effects, reflects why Hong Kong wealthy homebuyers seek for rare quantity of properties. They adore a type of "limited edition of scarcity" or "second-to-none" properties more than the generic types.

The 3rd most important preference is the locational value, within the constructs of Investing Effects, reporting the importance of preferred location. Any properties, located in the proximity of infrastructure, school network or close to the workplaces, will be more sellable and expensive. Homebuyers prefer paying more for a better location rather than other places where is less accessible.

In the study, these top three perceived values are more important than the rest of nine perceived values. That is why most of the wealthy people are willing to afford an extortionate price for their own sakes.

Even if the results of residual perceived values were not equally important, the study found that the group of respondents would significantly refer to the major constructs when having a purchase intention, which also ascribes to Eternal Value (Investing Effects), Social Value and Conspicuous Value (Interpersonal Effects), Emotional Value, Personal Trait Value and Quality Value (Personal Effects) and Brand Value, Beauty Value and Utility (Functional Effects). In other words, all

constructs are significantly correlated with Purchase Intention. However, the extent of each one will be different.

6.1 Consumer Expectations

Consumer expectations typically refer to the desires of individuals in the marketplace. Oliver (1980) ascribes that expectations consist of three factors which are the product itself, the context and the individual characteristics. In residential market, such expectations are usually motivated by people's conceptual ideas regarding their expected property, and based on their previous experience and well-reasoned behaviours. The behavioural patterns of wealthy homebuyers are concerned with the Functional Effects such as the brand, size, view and feature of the property, Interpersonal Effects such as the conspicuousness, available quantity and the social conformity, Personal Effects such as the control of ownership, emotional propensity and expected quality of the property, and Investing Effects such as their living location, Return on Investment and the long lasting value of the property.

Miller (1997) proposes an ideal expectation, which can be defined as "wish for" level of performance. Zeithaml *et al.* (1993) raise two questions 1) What factors most influence the formation of expectations? and 2) What role do these factors play in changing expectation levels? In this study, four effects with 12 perceived values, based on the results, are fully answered to these two questions.

What else can be done to motivate sales is the question to marketing practitioners.

In Hong Kong, most of the developers are good hands at creating values to their properties by using 5 comprehensive marketing communications techniques (i.e. Advertising, Sales Promotion, Public Relation, Direct Marketing and Personal Selling) This is their Integrated Marketing Communications strategy which they use DRIP elements with actions of "differentiate", "Reinforce", "Inform" and "Persuade" in table # 24.

Roles	Tasks	Explanation
***Differentiate**	**Attribute [Luxury Property]**	**to make a property stand out in the category**
***Reinforce**	**Recall Remind Reassure [Experiences]**	**to consolidate and strength previous experiences**
***Inform**	**Educate [Benefits]**	**to make aware of the availability and perceived values**
***Persuade**	**Purchase [Contact]**	**to encourage positive purchase-related behaviours**

Source: Adapted from Fill (2006, p. 183)

Table # 24 Five Comprehensive Marketing Communications Technique

In other words, developers should concentrate their efforts in these four behavioural areas (individual characteristics) and focus on each perceived value (benefit) when they plan for future development (product). Other uncontrollable or external factors (the context) need to be aware and considered.

In addition to behavioural issues, economic and political impacts cannot be negligent. Global economic slowdown and political uncertainty are a greater threat to the residential property market. Another bad news was that the Hong Kong Government announced a sudden change on 4th November, 2016 about an increase of stamp duty by 15% of the property value. This astounded announcement implies that an increase of stamp duty will result in a double charge of 30% of the property value, which is applicable for the homebuyers who are not the Hong Kong residents. Having said that, the foreign homebuyers will be responsible for 30% stamp duty of the property value when they consider any property purchases in Hong Kong. This final verdict will lead to a quiet market with continuous price adjustments. It looks like a huge effect from the government and uncertain economic downturn which will, more or less, impact the dynamic of property market, and simultaneously influence the affordability of the home buyers who have strong desires of possession for a residential property. It hurts the developers and existing home-users, and prohibits from irrational speculations. On the

contrary, it helps the first-time home-seekers, inquisitive speculators and long-term investors who can patiently observe the market situation and wait for another opportunities.

The supply side (existing home-users and irrational speculators) should put their property investments aside. Developers should observe what the market changes will be, and how the rivals launch their new properties. Value of the luxury property, in a long run, can be rosy.

As for the demand side (first-time home-seekers, wise speculators and long term investors), they will have a golden opportunity to buy or choose whatever they see and choose from the market. Property prices will be more reasonable and fair, and can be value-added after a market adjustment.

6.2 Present Supply Situations

Government was less aggressive for any land auctions and thus led to a serious drought of land supply. Furthermore, the releases of land supply are not a par in urban planning, unless the government is willing to change the uses of the land purpose. Therefore, developers are shortage of land supply to build or create any sufficient properties for the residential market. The majority of home-seekers are very frustrating because of expensive property prices and scarce choices. Academics advocate to use part of country parks as permanent panacea of supply and fulfilment of demand. However, Government is still in hesitation.

On the other side, the property developers are mostly listed companies in Hong Kong reporting their prospect and revenue to all the shareholders and stakeholders every year. In order to maintain comparable profit from the sales of 1st hand properties year on year, most of the developers will elevate up the prices as high as luxury type, even though they are developing all typical properties in less prime locations. No matter all available properties located in Mid-Level or Tai Kok Tsui or Tuen Mun, all properties will be built-in high technological electrical appliances and embellished with all

luxury components as well as the selling points such as 6-star clubhouse, convenient location, better mortgage plans and rebates of stamp duty. This aims to let homebuyers feel worth but will be a catalyst to accelerate the inflation.

At the time of transactions for new properties, homebuyers need to sacrifice a part of space because of communal facilities such as clubhouse and swimming pool, and need to pay more for all expensive kitchen appliances whether those items are their desires or not. In most of the typical cases homebuyers need to be responsible for a higher management fee, repayment amount and adhere to a frugal lives.

Developers will set the skimming pricing strategy when their new properties are limited. That is why the prices for 1st hand properties are much higher than 2nd hand properties. The difference between the two types of property (1st hand properties and 2nd hand properties) will lead the buyers to accept a high price when they want to consider the new properties. It seriously hurts the middle class who wants to improve their living environment, and let the society have spontaneous grievances.

The demand side currently criticises the selling practice for the 1st hand properties when the developers launch their new properties. They are counting on the marketing efforts of property agents and group all their potential customers to build a booming atmosphere. Most of the homebuyers even did not well search for or compare with other available units, but did purchase their undesired units. It could be an irrational decision which the gambling investors or speculators that they always did.

It eventually seems to be a root problem of Land Supply. If the government can reinstate the land auctions from time to time or consider other areas for new urban planning, developers can therefore prefabricate more property supplies and reduce their costs. Buyers can have more choices to compare, to bargain and to reckon on with their affordability. However, the government's housing model is

using a stock concept, which the quantity of sufficient stock of housing land is derived from a giving number of housing units (Lai and Yu, 2003 p. 152). This approach tends to underestimate the demand and therefore supply.

Homebuyers make decisions based on the value of their live all the time. The value of life varies from person to person - according to age, marriage, new birth, death rates, wealth, perceptions of risk and degree of risk. Value-of-life analysis frequently comes up in the cost-benefit analysis of environmental regulation (Wake Forest University, 2017), which is heavily depended on how the PEST situations go. However, Hong Kong property developers can pre-sell some unavailable units which the price values will be different between the time of purchase and the time of completion. Developers can sell their unfinished properties at the booming time despite their properties are not ready at the same time.

On the other hand, developers also need to take risks and bear uncertainties when they decide in any property developments. The element of uncertainty is that of time. Byrne (1996, p. 5) mentions that property development is a time-consuming business and dynamic process which time runs through it as a constant source of uncertainty. It is difficult, at the outset, to make accurate statements as to actual flow of expenditure and income throughout the development period. The inevitable time lag between the conception and its completion brings out countless local, social, economic and financial changes. At least changes in buyers' preference, the rise and fall of economic cycles, or change in interest rates and competitors' price war are difficult to foretell over even the medium term. Once the development has been started it is difficult to change.

Besides, developers are thought to be the greatest risk-takers but the maximum extent to which they feel comfortable with risk varies and most of them would actually deny that they take risks without careful assessment.

6.3 The Days after Tomorrow

Many professionals, experts, economists, or analysts and international real estate companies anticipate the fall of property prices because of the economic downturn as well as political uncertainty and new government regimes.

Typical 1st hand properties are very hot and sellable but the 2nd property market is now in a coma stagnant for years, after a sudden increase of punitive Stamp Duty imposed by the Hong Kong Government. Value of the properties can be vulnerable when the gloomy financial situation is being appeared. For example, something was happened such as September 11th, SAR period as well as the Financial Tsunami in middle of September, 2008. Everyone hears all these negative comments or appraisals and homebuyers will keep watching and see how the market goes. Panicky owners will decide a panic selling as they intuitively feel the atmosphere will be horrible or they have some financial problems. However, properties are again the most solid and substantial investment products, which can offer the utility value to the genuine users. Families use them as fundamental refuge and they will willy-nilly need a place as solace.

Fortunately, China is one of the fast-growing economic countries in the world that can help Hong Kong stabilize the downward trend of residential prices. Many China tycoons and mysterious wealthy people who can afford ostentatious prices at any time they like. They only buy the benefits of need, and do whatever and whenever they want to choose.

Yes, the property prices will be dropped as the government discourages every investor and combat their speculative activities. In order to protect themselves they would keep more CASH on hand and would not do any dicey activities. Property prices will more or less go downward to a supporting point which will be happened when supply is being scarce or at the time of future housing regime.

Lower Interest Rate

The state of interest rate has led the market currently affordable, despite the transaction prices rise in the past nine years.

The majority of the foreign countries are going to sustain low interest rate in order to relieve the damage of bad economy, and well balance the whole picture of on-going economic shape. Hong Kong has no choice except to follow it. This helps boost their Return on Investment on the rent which can be better than their savings in any bank accounts. Property investors might therefore keep on holding their properties for the attractive rent rather than holding their cash in the banks for a lethargic liquidity.

Interest rate movements dramatically affect Hong Kong house prices, especially when at the time U.S. poses to raise the interest rate. As referred to its fixed exchange rate agreement, Hong Kong is linked up with U.S. interest rates. This is sometimes awkward because U.S. interest rate movements may be counter-cyclical with Hong Kong's economy, which is increasingly intertwined with China.

Present Property Value

Hong Kong housing has now become less attractive for investors as they anticipate limited margin for price to rise in the property market, according to various analysts (Savills, 2017). Many renowned agents warn not to speculate any properties to eschew from any risks.

Present property value level now reaches to the highest level, as compared with peak level in the year of 1997. Even in a sagging market, the devalued trend seems to be limited. Although a batch of speculators stepped into property market in early 2008 and lost money, they had a snake bite experience and would not do any speculations. Even if they did, they would use a first-time buyer to prevent from the heavy stamp duty.

Affordability

Strong affordability is always based on the lower interest rate and strong financial background of homebuyers. However, the US Fed has suggested increasing the interest rate in the year of 2018 and it will definitely lead all banks in Hong Kong a reference. Also, political uncertainty and economic turndown can appear a rare opportunity to genuine home-users and home-changers and helps them reduce the costs of repayment to the banks. It can be a strong advantage to most of the interested homebuyers and changers who look for the properties in coming two years or ahead.

6.4 Summary

The context of the study was based in Hong Kong, where most of the homebuyers deemed Investing Effects as a way of extended wealth; Interpersonal Effects as a way to prove or pose their wealth or keep up with other people; Functional Effects as a pursuit of impressionistic content of the property; and Personal Effects as a way to show the greater control of ownership, to gain pleasure and pursue of quality properties.

All these four effects can be combined as Convergence of Perceived Value, which is a mixture of Investing Effects, Interpersonal Effects, Personal Effects and Functional Effects. It is also a useful alignment of influential variable, in conformity with these four variables.

Chapter 7: Limitations

The purpose of this thesis is to bring out a consumer based theory of how homebuyers consider their preferences and choices on a purchase of luxury residential property. Twelve perceived values within four effects were explored and addressed. However, all issues discussed in this study only represent a part of evidences, and are not 100% fully answered to the research question.

Having proved the acquisition of the results, it is unnecessary to indicate its limitation. There are several points which have been absent from the study. In other words, there are few limitations to the generalisability of this study. As discussed in Chapter 3, this study was conducted a survey with 200 informants in various areas of Hong Kong. Respondents who participated in the study were primarily home-users who were either visiting the show flats, or living in stipulated luxury residential areas or seeking residential properties at the time of survey. Their knowledge and perception as well as behaviour may have been more different from majority of property owners, investors and speculators in the mass market.

At different phases of the research designs and the data acquisition, several issues have not been encountered and explored. Therefore, the results of data will probably be of slight biases.

7.1 Uncertainty of Land Tenure System

According to Lands Department (2016), all land in Hong Kong is leased or otherwise owned by the Government of the HKSAR. In the days of yore, leases were based on a term of 75, 99 or 999 years, subsequently standardised in the urban areas of Hong Kong Island and Kowloon to a term of 75 years, renewable at a re-assessed annual rent under the provisions of the old Crown Leases Ordinance. Leases for land in the New Territories and Kowloon were normally sold for the residue of a term of 99 years less three days from 1 July, 1898.

Started from the year of 1997 at the date of 1st July, the handover of Hong Kong, new leases of land shall be granted for a term of 50 years from the date of grant. The maturity date is set to be 30th June 2047 and of such a return day, will be the 50th Anniversary of Hong Kong Handover. The Chinese and United Kingdom Joint Declaration indicates that "*Normal land grants throughout the whole of the territory were made for terms expiring not later than 30 June, 2047. They were granted at a premium and nominal rental until 30 June, 1997, after which date an annual rent equivalent to three percent of rateable value of the property would be charged. Leases expiring before 30 June 1997, with the exception of short term tenancies and leases for special purposes, might also be extended to 2047 under the provisions of the Joint Declaration*." (Lands Department, 2016).

As of today, the balance of validity of the leasing term is less than 30-year duration to reach to the date of 30th June, 2047. It will be quite uncertain whether China Government will cease to use the old system of Crown Leases Ordinance or will continue to offer a leasing term of another 50 years or adopt the terms which are currently used in China or even worse to impose a heavy land duty and rating charges after 30th June, 2047. This really affects the ownership status of majority of the Hong Kong residential properties.

Hong Kong was one of the British colonies in the day of yore. The Lands in United Kingdom are under the dominance of the King and will only be leased rather than sold. The Hong Kong land leasing practices are heavily based on the UK system which strictly restricted to a term of 50-year till 1997. After a handover, Chinese Government reset a leasing term until 2047.

As it will be a matter of worry or uncertainty about the time ownership, most of the property owners start to think of such restriction for a short holding period of 30-year, and will consider whether they

should invest in the residential properties or not. This would, more or less, influence the buying intention, or be an impact most of the homebuyers to hold or own or purchase for this sort of properties.

Hong Kong Government has not yet prepared for any regime on how to reform the land system or update the regime for continuation or renewal of the land leasing. The situation is still vague and implicit.

It can be anticipated that many of the homebuyers begin to worry about the ambiguity of the future leasing term, and the ownership status which will definitely affect their purchase intention for the residential properties.

7.2 Neglect of Another type of Homebuyers

Linkage of US and HK dollars has been very stable in the past 33 years. According to Hong Kong Monetary Authority (2013), the structure of system is the characterised by Currency Board arrangements, requiring the base of Hong Kong currency to be at least 100% backed by, and changes in it to be 100 % matched by corresponding changes. Therefore, either US currency or Hong Kong dollar always seems to be a reliable and stable currency that attracts more capital inflow, including some "predatory" hot money speculating on the Hong Kong residential market.

The residential market seems to be a hot target among Mainlanders. The influx of Mainland Chinese investment creates controversies and conflicts in Hong Kong, as they mainly come to pursue a second home, push up the housing prices and eventually become "one of the residents". Furthermore, the recent weak exchange value of Renminbi currency forces Mainlanders to seek for something that can help them to prevent any of wealth evaporation, and confront with devaluation of their pecuniary loss. Purchases for Hong Kong properties are one of their choices. Based on the their inclination, Mainland Chinese tend to consider buying properties in Hong Kong rather than in other places, as they believe

Hong Kong is one of safe havens, where its Hong Kong dollar keeps a stable shape at all time. It was likely the cases of why Russian people bought properties in United Kingdom to eschew from any traumatic loss of their weak currency and currency fluctuation.

According to statistics and reports of newspapers, 20 to 30% of homebuyers are come from Mainland China. This can be said that the buying power from China cannot be negligent. As per the survey results, the proportion of respondents from Mainlanders were just 14% which could not fully reflect the truth. The obvious explanation was that many of them were not able to understand the content of English survey questionnaire, and small part of them were unwilling to disclose their demographic information and even react their answers. It could probably a missing bias to the truth seeking.

In fact, Mainlanders will be one of the prospective homebuyers. In the phase of data collection, the observation was that most of Mainlanders had strong inclination to pay visits to the sales offices and show flats, and lived in different luxury districts. However, they were reluctant to be invited for a survey and did not show their interests in any of the conversation and contacts. It can be assumed that they are willing to choose/or invest in Hong Kong luxury properties but they will not accept any of the invitations for any survey. In other words, this proves that they can be the second largest of group of homebuyers who can provide all useful information for further study.

7.3 Adverse Stamp Duty

The repercussion and the negative voice of Hong Kong home-seekers arouse the government to reconsider a new regime to the property market. On 4th November of 2016, Hong Kong Government suddenly announced a new stamp rate to 15% of the property value (Hong Kong's Information Services Department, 2017), which attempted to curb the soaring home prices and prevent from any investments of non-first time home buyers. The increase of stamp duties will definitely affect the

demand of local investors and speculators who pursue the second properties for investment, and simultaneously destroy the dream of genuine homebuyers back off the purchase. This seemed to be the second time in the last three years that the Hong Kong government raised the stamp duty for non-first time buyers. In 2013, it was increased to 8.5%, compared to the previous 4.25% (Global Property Guide, 2016).

As for the foreign buyers, for instance a Mainlander buyer, the Doubled Ad Valorem Stamp Duty rate of 30% of property value (Sing Tao Daily, 2016) will be imposed on any purchase. The amount of Stamp Duty payable by homebuyer can be computed as HK$9,000,000 for a purchase of property worth of HK$30 million. The aim of this measurement is to combat any speculative activities from other countries. In the meantime, the punitive tax charge pushes the mainland buyers back-off the luxury residential properties.

This is quite arguable about the feasibility of such strategy that helps the first time buyer, but conversely a damage to the real estate economy – a discouragement of new sales from both 1st home and 2nd home markets. This new imposition on heavy stamp duty is definitely offering a predicament to all involved parties (i.e. homebuyers, home-changers, property developers, agents, design houses, solicitor firms, banks, and governmental departments).

According to a UK newspaper, The Telegraph (2017), higher stamp duty is killing the housing market and harming the economy. This adverse effect naturally affects and distorts the demand, and penalises the landlord and second homeowners while at the time aggravating the shortage of supply. It really makes it "prohibitive" to build more residential units, and on the other hand to reduce the tendency of buying intention. However, the residential developers in Hong Kong are very smart, sensitive, and

familiar with the ways of how they can confront with this sort of restrictions, and deploy new hypes to attract purchases.

As compared with the survey results in the period of July to August, 2016, the sudden change really surprised and disappointed the potential buyers who would like to think of their purchases in coming 24 months. Homebuyers will reckon their purchase plan, and probably change their behavioural aspects and value-perception.

7.4 Joint Home Decision

A Purchase of residential property is a group decision and a matter of critical family issue. Munsingers *et al*. (1975) bring out an important reminder of Joint Home Purchasing Decision, which can reasonably be made by husbands and wives, or even their children and parents within a family condition. They point out that a decision for a purchase of home for the family is the extent of mutual agreement between the perceptions of those people who play each role in the family. In other words, the decision is heavily based on the voices from the family members. This could be a dominant influence or relative influence which was not explored in the survey. During the survey, the majority of participants provided answers personally, without dealing the questions with their spouses. Therefore, any further studies should focus on family members other than a representative of them.

7.5 Summary

In summary, the above four points are unexplored in the domain of this study. However, they can be a potential area of problems that affects the behavioural aspects and the value-perception in the purchase of these particular commodities. How these three factors impact the purchase intention can be a further investigation in future.

Reference

Adams, J. *et al.* (2007) *Research Methods for Graduate Business and Social Science Students*, New Delhi: Response Books.

Ajzen, I. and Fishbein, M. (1980) *Understanding Attitudes and predicting Social Behaviour*, New Jersey: Prentice-Hall.

Alexopoulos, E. C. (2010) *Introduction to Multivariate Regression Analysis, Hippokratia* [Online]. Available from: http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3049417/ [Accessed 16 April, 2016].

Aliaga, M. and Gunderson, B. (2000) *Introduction to Quantitative Research* [Online]. Available from: http://www.sagepub.com/sites/default/files/upm-binaries/36869_muijs.pdf [Accessed 20 April 2016].

Anastasia, N. and Suwitro, A. L. (2015) The Rational and Irrational Factors Underlying Property Buying Behaviour, *Journal of Economics and Behavioural Studies,* 7(2), pp. 183 – 191.

Apple Daily News (2016)新辣招後誕亞洲樓王呎 10.萬首置 12 億掃山頂豪宅 [Online]. Available from:http://hkm.appledaily.com/detail.php?guid=19827587&category_guid=15307&category=daily&issue=20161109 [Accessed 9 November 2016].

Apply Daily News (2017) 【樓價指數】萊坊林浩文： 今年樓價全年升 13% [Online] Available from https://hk.finance.appledaily.com/finance/realtime/article/20171229/57638993 [Accessed 29 December 2017]

Ashworth, G. J. (2009) The Instruments of Place Marketing: How is it done? *European Spatial Research and Policy,* 16(1).

Axhausen, K. *et al*. (2004) Locations, commitments and activity spaces. In M. Schreckenberg and R. Selten, eds., *Human Behaviour and Traffic Networks*, pp. 205–230.

Barrow, M. (2006) *Statistics for Economics, Accounting and Business Studies*, 4th ed. Essex: Pearson Education Ltd.

Baudrillard, J. (1998) *The Consumer Society*: Myths and Structures, London: Sage.

BBC (2013), *Tuhao and the Rise of Chinese Bling* [Online]. Available from: http://www.bbc.co.uk/news/magazine [Accessed 28 November 2013].

Behavioural Investing and Trading (2016) *Investing* [Online]. Available from: http://www.behavioralinvesting.com/Home_Page.html [Accessed 22 February 2016].

Behavioural Financing (2016) *Prospect Theory* [Online]. Available from: http://www.prospect-theory.behaviouralfinance.net/ [Accessed 22 February 2016].

Beardshaw, J. (1992) *Economics – A Student's Guide*, 3rd ed. London: Pitman Publishing.

Belk, R. W. (1988) Possessions and the Extended Self, *Journal of Consumer Research*, 15 pp. 139 – 168.

Belloto, R. J. and Sokoloski (1985) Residual Analysis in Regression, *American Journal of Pharmaceutical Education*, 49, pp. 295 – 303.

Berges, S. (2004) *The Complete Guide to Real Estate Finance for Investment Properties*, New Jersey: John Wiley & Sons, Inc.

Berthon, P. *et al*. (2009) Aesthetics and Ephemerality: Observing and Preserving the Luxury Brand, *California Management Review*, 52 (1), pp. 45 – 66.

Bloomberg (2017) *Singapore Home Prices Have Bottomed, Hong Kong's Are 'Crazy': BNP* [Online]. Available from: https://www.bloomberg.com/news/articles/2017-09-26/singapore-home-prices-have-bottomed-hong-kong-crazy-bnp-says [Accessed 28 September 2017].

Bodie, Z. Kane, A. Marcus, A. (2008) *Investments*, 7th ed. New York: McGraw Hill Companies, Inc.

Boone, H. N. and Boone, D. A. (2014) Analyzing Likert Data, *The Journal of extension* [Online]. Available from: http://www.joe.org/joe/2012april/tt2.php [Accessed 22 August 2014]

Booth, W. C. Colomb, G.G. Williams, J. M. (2008) *The Craft of Research*, 3rd ed. Chicago: The University of Chicago Press.

Bray, J. P. (2008) *Consumer Behaviour Theory: Approaches and Models.* Discussion Paper. Unpublished.

Bricki, N. and Green, J. (2007) *A Guide to using Qualitative Research Methodology, NSF Field Research* [Online]. Available from: http://fieldresearch.msf.org/msf/handle/10144/84230 [Accessed 1 January 2018].

Bryman, A., and Bell, E. (2010) *Business Research Methods*, New York: Oxford University Press.

Bryman A. (2016) *Social Research Methods*, 5th ed. New York: Oxford University Press.

Business Insider (2016) *The 9 most expensive cities to live in* [Online]. Available from: http://www.businessinsider.com/eiu-worldwide-cost-of-living-2016-report-expensive-cities-2016-3/#3-hong-kong--hong-kong-has-climbed-seven-places-up-the-ranking-in-the-past-12-months-because-of-exceptionally-high-house-prices-and-an-increase-in-local-living-costs-7 [Accessed 4 November 2016].

Business Wire (2017) *Research and Markets: Hong Kong – Future of HNWI to 2015 – Centre of Finance, Centre of Wealth* [Online]. Available from: https://www.businesswire.com/news/home/20111214005575/en/Research-Markets-Hong-Kong---Future-HNWI [Accessed 23 December 2017].

Byrne, P. (1996) *Risky, Uncertainty and Decision-Making in Property Development*, 2nd ed. London: E & FN Spon.

Census and Statistics Department (2017) *Population* [Online]. Available from: https://www.censtatd.gov.hk/hkstat/sub/so20.jsp [Accessed 30 December 2017].

Chan, C. L. W. *et al*. (2012) The Blessings and the Curses of Filial Piety on Dignity at the End of Life: Lived Experience of Hong Kong Chinese Adult Children Caregivers, *Journal of Ethnic & Cultural Diversity in Social Work*, 21, pp. 277 – 296,

Chau, *et al.* (2003) *Hedonic Price Modelling of Environmental Attributes: A Review of the Literature and a Hong Kong Case Study* [Online]. Available from: http://www.eolss.net/sample-chapters/c13/e1-21-05-04.pdf [Accessed 18 December 2017].

Chau, K.W., Wong, S. K., Yiu, C. Y. E (2004) The Value of the Provision of a Balcony in Apartments in Hong Kong, *Property Management*, 22 (3), pp. 250 – 264.

Chen, C. and Uttal, D. H. (1988) Cultural Values, Parents' Beliefs, and Children's Achievement in the United States and China, *Human Development*, 31, pp. 351 – 358.

Choudhury, A. H. and Hartman, N. S. (2015) Regional Differential Wealth Effect on Home Value: A Cross-Sectional Analysis, *Journal of Economics and Economic Education Research*, 16 (1), pp. 273 – 290.

Chuon, A., Hamzah, H., Sarip, A. G. (2017) Conceptualising Luxury Residential Property for Marketing, *Malaysia Journal o Society and Space*, 13(2), pp. 33 – 43).

CIM (2003) Marketing Knowledge - *@ To Branding*. Berkshire: The Chartered Institute of Marketing.

CNN Regions (2016) *Hong Kong ranked World's most expensive city for expats* [Online]. Available From: http://edition.cnn.com/2016/06/22/asia/hong-kong-expat-expensive/index.html [Accessed 4 November 2016].

CNN Travel (2016) *The world's most expensive city in 2016 is* [Online]. Available from: http://edition.cnn.com/2016/03/10/travel/most-expensive-cities-2016/index.html [Accessed 4 November, 2016].

Creswell, J. W. (2003) *Research Design – Qualitative, Quantitative, and Mixed Methods Approaches*, 2nd ed. California: SAGE Publications, Inc.

Creswell, J. W. (2009) *Research Design – Qualitative, Quantitative, and Mixed Methods Approaches*, 3rd ed. California: SAGE Publications, Inc.

Crompton, J. L. (2001) The Impact of Parks on Property Value: A Review of Empirical Evidence, *Journal of Leisure Research,* 33 (1), pp. 1 – 31.

Cunningham, L. A. (2004) *What is Value Investing?* New York: The McGraw-Hill Company Inc.

Daly, J. *et al*. (2003) Consumer Behaviour in the Valuation of Residential Property – A Comparative Study in the UK, Ireland and Australia, *Property Management,* 21(5), pp. 295 – 314.

Danziger, P. (2007) New Luxury, Luxury Market, *Global Cosmetic Industry*: May 2007; 175, pp.42-43.

Data Storage and Data Security (2015). *The Research Ethics Guidebook - A Resource for Social Scientists* [Online]. Available from: http://ethicsguidebook.ac.uk/Data-storage-and-data-security-308 [Accessed 30 April 2016].

Dawes, J. (2007) Do Data Characteristics Change according to the Number of Scale Points used? An Experiment using 5-point, 7-point and 10-point Scales, *International Journal of Market Research*, 50 (1), pp. 61 -77.

Dembkowski, S. and Hanmer-Lloyd, S. (1994) The Environmental Value-Attitude-System Model: A Framework to Guide the Understanding of Environmentally – Conscious Consumer Behaviour, *Journal of Marketing Management*, 10, pp. 593 – 603.

Demographia (2016) *12th Annual Demographia International Housing Affordability Survey: 2016* [Online]. Available from: https://assets.documentcloud.org/documents/2697405/Demographia-2016.pdf [Accessed 20 January 2017].

Demographia (2017) *13th Annual Demographia International Housing Affordability Survey: 2017* [Online]. Available from: http://www.demographia.com/dhi.pdf [Accessed 25 January 2017]

Donkin, R. (1999) Every Sign Points to a Recovery: First-time buyers are injecting new confidence into the residential sector, *Financial Time,* June, pp. 4.

Dubois, B. and Laurent, G. (1994) Attitudes toward the Concept of Luxury: An Exploratory Analysis, *Asia-Pacific Advances in Consumer Research*, 1, pp. 273 - 278.

Duesenberry, J. S. (1949) *Incoming, Saving and the Theory of Consumer Behaviour*, Cambridge, Mass: Harvard University Press.

Duijn, M. V. and Rouwendal, J. (2012) Analysis of Household Behaviour, Local Amenities and House Prices in a Sorting Framework, *Journal of Property Research*, 29(4), pp. 280 – 297.

Eastman, J. K. and Eastman, K.L. (2011) Perception of Status Consumption and the Economy, *Journal of Business & Economic Research*, 9(7), pp. 9 - 20.

Ejinsight (2015*) HK ranked most unaffordable housing market for fifth year* [Online]. Available from: http://www.ejinsight.com/20150120-hk-ranked-most-unaffordable-housing-market-for-fifth-year-says-survey/ [Accessed 22 February 2016].

Eldred, G. (2009) *Investing in Real Estate.* 6th ed. New Jersey: John Wiley & Sons, Inc.

Fah, C. F. and Cheok, J. (2008) Importance of Branding for Property Developers in Malaysia. *Sunway Academic Journal*, 5, pp. 65 - 81.

Fahey, L. and Randall, R. (2001) *The Portable MBA in Strategy*, 2nd ed. Canada: John Wiley & Sons, Inc.

Fang, F. and Higgins, D (2013) Chinese Residential Property Markets: Applying Diversification Principles and Practices, in Callaghan, J. (ed.) *Proceedings of the PRRES - 19th Annual Pacific Rim Real Estate Society Conference*, Sydney, Australia, 13 - 16 January, 2013, pp. 1 - 15.

Faure, D. and Lee, T (2004) *Economy – A Documentary History of Hong Kong*. Hong Kog: Hong Kong University Press. Hong Kong

Field Research in Organizational Psychology (2011) *The Likert Scale: The Advantages and Disadvantages* [Online]. Available from: https://psyc450.wordpress.com/2011/12/05/the-likert-scale-advantages-and-disadvantages/ [Accessed 7 May 2018].

Fierro, K. P., Fullerton, T. M. and Donjuan-Callejo, K. E. (2009) Housing Attribute Preferences in a Northern Mexico Metropolitan Economy, *International Atlantic Economic Society*, 3, pp. 159 – 172.

Fill, C. (2006) *Marketing Communications – Engagement, Strategies and Practice*, 4th ed. Essex: Pearson Education Limited.

Finstad, K. (2010) Response Interpolation and Scale Sensitivity: Evidence against 5-Point Scales, *Journal of Usability Studies*, 5(3), pp. 104 – 110.

Firat, A. *et al*. (2013) Consumption, Consumer Culture and Consumer Society, *Journal of Community Positive Practices*, XIII (1), pp. 182 – 203.

Francis, J. *et al*. (2004) *Constructing Questionnaires based on The Theory of Planned Behaviour – A Manual for Health Service Research*, Centre for the Health Service Research, University of Newcastle.

Gherasim, A. (2013) Modelling the Consumer Behaviour, *Economy Transdisciplinarity Cognition*, 16(2), pp. 57 – 62.

Giacalone, J. (2006) Market for Luxury Goods: The Case of the Comite Colberti, *Southern Business Review*, 32(1), pp. 1 – 40.

Gilovich, T. Keltner, D. Nisbett (2006) *Social Psychology*, New York: W.W. Norton & Company, Inc.

Glaeser, E. L. and Gyourko, J. (2005) Why is Manhattan so expensive? Regulations and the Rise in Housing Prices, *Journal of Law and Economics, 48*, pp. 331 – 369.

Global Data (2016) *HNWI Asset Allocation in Hong Kong 2016* [Online]. Available from https://www.giiresearch.com/report/wis229603-hnwi-asset-allocation-hong-kong-2015.htm [Accessed 7 January 2018].

Global Property Guide (2016) *Hong Kong Property Prices are now in Free Fall* [Online]. Available from: http://www.globalpropertyguide.com/Asia/Hong-Kong [Accessed 4 November 2016].

Global Property Guide (2016) *Hong Kong raises stamp duty to curb soaring home prices* [Online]. Available from: http://www.globalpropertyguide.com/news Hong_Kong_raises_stamp_duty_to_curb_soaring_home_prices-3028 [Accessed 24 January 2017].

Global Property Guide (2017) *Hong Kong's Red-Hot Property Market* [Online]. Available from: http://www.globalpropertyguide.com/Asia/Hong-Kong/Price-History [Accessed 3 September 2017].

Globalization 101 (2011) *The Globalization of Luxury* [Online]. Available from: http://www.globalization101.org/the-globalization-of-luxury-3/ [Accessed 6 May 2017].

Glock, C. Y. and Nicosia, F. M. (1964) Uses of Sociology in Studying "Consumption Behaviour", *Journal of Marketing*, 28(7), pp. 51 – 54.

Goodwin, N. *et al*. (1997) *The Consumer Society*, Washington: Island Press.

Graeber, D. (2011) Special Section: Keywords "Consumption", *Current Anthropology*, 52 (4), pp. 489 – 511.

Haddah, M. Judeh, M. Hadded, S. (2011) Factors affecting Buying Behaviour of an Apartment an Empirical Investigation in Amman, Jordan. *Research Journal of Applied Sciences, Engineering and technology*, 3(3), pp. 234 – 239.

Hair, J. Bush, R., Ortinau, D. (2004) *Market Research*, 2nd ed. New York: McGraw-Hill Companies, Inc.

Hanzaee, K. H. *et al*. (2012) Segmenting Consumers based on Luxury Value Perceptions, *Middle-East Journal of Scientific Research*, 12(11), pp. 1445 – 1453.

Hassan, Z., Schattner, P., Mazza, D. (2006) Doing a Pilot Study: Why is it essential? *Academy of Family Physicians of Malaysia*, 1(2&3), pp. 70 - 73.

He, Y., Zou, D. and Tin, L. (2010) Exploiting the goldmine: a lifestyle analysis of affluent Chinese consumers, *Journal of Consumer Marketing*, 28(7), pp. 615 - 628.

Hennigs, N. *et al*. (2012) What is the Value of Luxury? A Cross-Cultural Consumer Perspective, *Psychology and Marketing*, 29(12), pp. 1018 - 1034.

Higgins, T. (2006) Value from Hedonic Experience and Engagement, *Psychological Review*, 113(3), pp. 439 – 460.

Hoffmann, A. O. I and Broekhuizen, T. L. J. (2009) *Susceptibility to and impact of Interpersonal Influence in an Investment Context*, Department of Innovation Management and Strategy, University of Groningen.

Hong Kong's Information Services Department (2017) *Property Stamp Duty to rise to 15%* [Online]. Available from: http://www.news.gov.hk/en/categories/infrastructure/html/2016/11/20161104_182224.shtml [Accessed 4 February, 2017].

Hong Kong Monetary Authority (2017) *Bank Statistics* [Online]. Available from: http://www.hkma.gov.hk/eng/market-data-and-statistics/monthly-statistical bulletin/table.shtml#section3 [Accessed 26 August 2017].

Hong Kong Monetary Authority (2017) *Monthly Statistical Bulletin* [Online]. Available from: http://www.hkma.gov.hk/eng/market-data-and-statistics/monthly-statistical bulletin/table.shtml#section3 [Accessed 22 June 2017].

Hong Kong Monetary Authority (2013) *The Linked Exchange Rate System* [Online]. Available from: http://www.hkma.gov.hk/eng/key-information/insight/20131014.shtml [Accessed 30 October 2016].

Hong Kong Special Administration Region (2016) *Population, Census and Statistics Department* [Online]. Available from: http://www.censtatd.gov.hk/hkstat/sub/so20.jsp [Accessed 20 October 2016].

Hudders, L. and Pandelaere, (2012) The Silver Lining of Materialism: The Impact of Luxury Consumption on Subjective Well-Being, *J Happiness Stud*, 13, pp. 411 – 437.

Hudson, L.A. and Ozanne, J. L. (1988) Alternative Ways of Seeking Knowledge in Consumer Research, *Journal of Consumer Research,* 14, pp. 508 – 521.

Hui, E.C.M. and Zheng, X. (2012) Exploring the Dynamic Relationship between Housing and Retail Property Markets: An Empirical Study of Hong Kong, *Journal of Property Research,* 29(2), pp. 85-102.

Hui, E. C. M., Ng, I., Lau, O. M. F. (2011) Speculative Bubbles in Mass and Luxury Properties: An Investigation of the Hong Kong Residential Market. *Construction Management and Economics,* 29, pp. 781 – 791.

Husic, M. and Cicic, M. (2009) Luxury Consumption Factors, *Journal of Fashion Marketing and Managemen*t, 13(2), p.p. 231 – 245.

Hutchison, N. E. (1994) Housing as an Investment? : A Comparison of Returns from Housing with Other Types of Investment, *Journal of Property Finance*, 5(2), pp. 47 – 61.

Investopedia (2018) *Behavioural Economics* [Online]. Available from https://www.investopedia.com/terms/b/behavioraleconomics.asp [Accessed 18 January, 2018].

Investopedia (2018) *Can Real Estate Stabilize Your Portfolio?* [Online]. Available from https://www.investopedia.com/articles/mortgages-real-estate/09/real-estate-portfolio.asp [Accessed 20 January, 2018].

Investopedia (2018) *The 5 Factors of a "Good' Location* [Online]. Available from https://www.investopedia.com/financial-edge/0410/the-5-factors-of-a-good-location.aspx [Accessed 5 May 2018].

Isakson, H. R. (2001) Using Multiple Regression Analysis, *The Appraisal Journal*, 4, pp. 424 – 430.

Jamieson, S. (2004) Likert Scales: How to (ab) use them, *Medical Education*, 38, pp. 1212 – 1218.

Jin, Y and Zeng, Z (2004) Residential Investment and House Prices in a Multi-Sector Monetary Business Cycle Model, *Journal of Housing Economics*, 13, pp. 268 - 286.

JLL (2016) *Hong Kong Residential Sales Market* [Online]. Available from: http://www.jll.com.hk/hong-kong/en-gb/Research/Residential%20Market-2016-10.pdf?539ec02c-8627-4499-bb98-41add48b28ab [Accessed 22 December 2017].

JLL (2017) *Hong Kong's Residential Market Brushes Off Recent Rate Hikes* [Online]. Available from: http://www.jll.com.hk/hong-kong/en-gb/news/568/jll-capital-markets-residential-rate-hikes-2016 [Accessed 1 January 2018].

Joshi, A. *et al*. (2015) Likert Scale: Explored and Explained, *British Journal of Applied Science and Technology*, 7 (4), pp. 396 – 403.

Kalkreuth, S. (2008) *Luxury Properties* Spring Issue. Singapore: SPH Singapore Pte Ltd.

Kamal, M., Sarkar, O. F., Pramanik, S. A. K. (2016) Investigation of Market Factors that affect Customers' Buying Attitude towards Apartment Buying: An Opportunity Analysis from Bangladesh Perspective, *International Journal of Business Administration*, 7(3), pp. 153 – 165.

Kapferer, J. and Bastien, V. (2008) The Specificity of Luxury Management: Turning Marketing Upside Down, *Brand Management*, 16(5/6), pp. 311 - 322.

Kastanakis, M. (2012) Bandwagon, Snob and Veblen Effects in Luxury Consumption, *Advances in Consumer Research*, 38, pp. 609 – 611.

Kauko, T (2003) Residential Property Value and Locational Externalities on the complementarity and substitutability of approaches, *Journal of Property Investment and Finance*, 21(3), pp. 250 – 270.

Kelly, K. (2003) *Strategic Brand Management*, 2nd ed. New Jersey: Prentice Hall.

Knight Frank (2013) *The Wealth Report 2013: The Global Perspective on Prime Property and Wealth*, London: Pureprint Group.

Kwon, K. N. and Schumann, D. W. (2001) The Influence of Consumers' Price Expectation on Value Perception and Purchase Intention, *Advances in Consumer Research*, 28, pp. 316 – 322.

Koklic, M. K. and Vida, I (2009) A Strategic Household Purchase: Consumer House Buying Behaviour, *Managing Global Transitions*, 7(1), pp. 75 - 96.

Kolter, P. (1998) *Marketing Management – Analysis, Planning, Implementation and Control*, 9th ed. Englewood Cliffs: Prentice Hall.

Kolter, P and Armstrong, G. (1990) *Marketing: An Introduction*, 2nd ed. New Jersey: Prentice-Hall.

Kolter, P. *et al*. (2006) *Marketing Management – An Asian Perspective*, 4th ed. Singapore: Pearson Education South Asia Pte. Ltd.

Koop, G. (2005) *Analysis of Economic Data*, 2nd. West Sussex: John Wiley & Sons Ltd.

Kotrlik, J. W. Williams, H. A., Jabor, M. K. J. (2011) Reporting and Interpreting Effect Size in Quantitative Agricultural Education Research, *Journal of Agricultural Education*, 52(1), pp. 132 – 142.

Lai, W. and Yu, B. (2003) *The Power of Supply and Demand*, Hong Kong University Press. Hong Kong.

Lands Department, Hong Kong Special Administrative Region (2016) *Land Tenure System and Land Policy in Hong Kong* [Online]. Available from: http://www.landsd.gov.hk/en/service/landpolicy.htm [Accessed 10 November, 2016].

Land Registry (2016) *Land Registry Releases Statistics for 2015* [Online]. Available from: http://www.info.gov.hk/gia/general/201601/06/P201601060267.htm [Accessed 12 February 2016].

Land Registry (2017) *Land Registry Releases Statistics for 201*6 [Online]. Available from: http://www.info.gov.hk/gia/general/201701/05/P2017010500302.htm [Accessed 30 October, 2017].

Land Registry (2017) *Land Registry Releases Statistics for the first half of 2017* [Online]. Available from: http://www.info.gov.hk/gia/general/201707/05/P2017070500418.htm [Accessed 30 October 2017].

Leedy, P. D. and Ormrod, J. E. (2014) *Practical Research Planning and Design*, 10th ed. Essex: Pearson.

Leung, C. (2004) Macroeconomics and Housing: A Review of Literature, *Journal of Housing Economics*, 13, pp. 249 – 267.

Leibenstein, H. (1950) Bandwagon, Snob and Veblen Effects in the Theory of Consumer Demand. *Quarterly Journal of Economics.* pp. 183 - 207.

Levy, D., Murphy, L., Lee, C. (2008) Influences and Emotions: Exploring Family Decision-Making Processes when Buying a House, *Housing Studies*, 23(2). pp. 271 – 289.

Li, J. J. and Su, C. (2007) How face influences consumption: A Comparative Study of American and Chinese Consumers, *The Market Research Society*, 49(2), pp. 237 – 256.

Liang, G. C. and Osmadi, A. (2015) The Significance of Feng Shui in House Buying Selection among Malaysians, *Penerbit UTM Press*, 75(9), pp. 15 – 19.

Likert, R. (1932) A Technique for the Measurement of Attitudes, *Archives of Psychology*, 140, pp. 1-55.

London South Bank University (2011) *Code of Practice for Research Involving Human Participants* [Online]. Available from: https://my.lsbu.ac.uk/page/research-degrees-ethics [Accessed 22 March 2016].

Loudon, D. L. and Bitta, A. J. D. (1993) *Consumer Behaviour – Concepts and Applications*, 4th ed. Singapore: McGraw-Hill, Inc.

Lundkvist, A. and Yakhlef, A. (2004) Customer Involvement in a New Service Development: A Conversational Approach, *Managing Service Quality*, 14(2/3), pp. 249 – 257.

LuxuryCulture.com (2015) *Architectural Excellence* [Online]. Available from http://www.delliscay.com/content/press/LuxuryCultureJanuary3.pdf [Accessed 9 December 2015].

Luxury Rental (2008) *About Hong Kong* [Online] Available from: http://www.luxuryrental.com.hk/b.htm [Accessed 10 December 2015].

Luxury Portfolio (2008) *Luxury Portfolio: Luxury Home and Luxury Real Estate FAQ* [Online]. Available from: http://www.luxuryportfolio.com/about/faq.cfm [Accessed 9 December 2015].

Luxury Portfolio (2008) *Luxetrends* [Online]. Available from: http://www.luxuryportfolio.com/luxetrends/ [Accessed 10 December 2015].

Madden, N. (2007) Hong Kong no longer only portal to China for global marketer, *Advertising Age*. 78 (27). pp. 18.

Malpezzi S. and Wachter, S. M. (2002) *The Role of Speculation in Real Estate Cycle, Zell/Lurie Real Estate Center*, Working Paper [Online]. Available from: http://realestate.wharton.upenn.edu/research/papers/full/401.pdf [Accessed 6 May 2015].

Mason, R. S. (1981) *Conspicuous Consumption*, New York: St. Martin's Press.

Mason, R. S. (1983) Conspicuous Consumption: A Study of Exceptional Consumer Behavior, *Journal of Economic Issues*, XVII (3), pp. 791 – 799.

Mason, R. (1992) Modelling the Demand for Status Goods, *Association for Consumer Research*, pp. 88 - 95.

McLeod, S.A. (2008) *Likert Scale* [Online]. Available from: http://www.simplypsychology.org/likert-scale.html [Accessed 20 February 2016].

McMillian, F. (2005) Hong Kong is hot again, *Properties, International Herald Tribune*.

Microsoft Office (2017) *Median Function* [Online]. Available from: https://support.office.com/en-us/article/MEDIAN-function-d0916313-4753-414c-8537-ce85bdd967d2 [Accessed 6 November 2017].

Miles, J. A. (2012) *Management and Organization Theory*. New York: Wiley.

Miller, J. A. (1977) *Studying Satisfaction, Modifying Models, Eliciting Expectations, Posing Problems, and Making Meaningful Measurement*, Bloomington: School of Business, Indiana University.

Modern History Sourcebook (2015) *Thorstein Veblen: Conspicuous Consumption*, 1902 [Online]. Available from: http://dcmccornac.com/EC217Macro/Articles/ConspicuousConsumptionVeblen.pdf [Accessed 12 December 2015].

Monkhouse, L. L. *et al*. (2012) The Influence of Face and Group Orientation on the Perception of Luxury Goods – A Four Market Study of East Asian Consumers, *International Marketing Review*, 29(6), pp. 647 – 672.

Munsinger, G. M., Weber, J. E., Hansen, R. W. (1975) Joint Home Purchasing Decisions by Husbands and Wives, *Journal of Consumer Research*, 1, pp. 60 – 66.

Murphy, T. (2010) *Turning Crisis into Profit: How to make money in Asian Property*. Singapore*:* Prentice Hall.

Nathans, L. L. *et al*. (2012) Interpreting Multiple Linear Regression: A Guidebook of Variable Importance, *Practical Assessment Research & Evaluation,* 17(9) [Online]. Available from: http://pareonline.net/pdf/v17n9.pdf [Accessed 18 October, 2016].

Nunes, J. C. (2009) Status: Why Consumers engage in Conspicuous Consumption and how they may be perceived, *Advances in Consumer Research,* 36, pp. 12 - 15.

O' Cass, A. and McEwen, H. (2004) Exploring Consumer Status and Conspicuous Consumption, *Journal of Consumer Behaviour*, 4 (1), pp. 25 - 39.

Oliver, R. L. (1980) A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions, *Journal of Marketing Research,* 17, pp. 460 – 469.

Oliverira, A. (2003) A Discussion of Investing Theories, *The Journal of Wealth Management*, Spring, pp. 15 – 22.

Ordabayeva, N. And Chandon, P. (2010) Getting Ahead of the Joneses: When Equality Increases Conspicuous Consumption among Bottom – Tier Consumers, *Journal of Consumer Research*, pp. 27 – 41.

Owuor, C. O. (2001) Implications of using Likert Data in Multiple Regression Analysis, PhD Thesis, *The University of British Columbia*. Vancouver, Canada.

Oxford Advanced Learner's *English-Chinese Dictionary* (2008), 7th ed. Hong Kong: Oxford University Press.

Page, C. (1992) A History of Conspicuous Consumption, *Association for Consumer Research*, pp. 82 - 87.

Patsiaouras, G. and Fitchett, J. (2012) The Evolution of Conspicuous Consumption, *Journal of Historical Research in Marketing*, 4(1), pp. 154 – 176.

Pestrichelli, J. and Ferbert, W. (2012) *Buy and Hold Hedge*, New Jersey: Pearson Education Ltd.

Peter, J. P. and Olson, J. C. (2008) *Consumer Behaviour and Marketing Strategy*, 8th ed. New York: McGraw-Hill.

Pfrang, D. C. (2010) Property Brands - Development of a Strategic Brand Management Model for the Real Estate Industry. 17th European Real Estate Society (ERES) Annual Conference. *Bocconi University Campus,* Milan, Italy.

Pinjari, A. R., Bhat, C. R., Hensher, D. A. (2009) Residential Self-Selection Effects in an Activity Time-Use Behaviour Model. *Transportation Research Part B: Methodological*, 43 (7), pp. 729–748.

Pornchokchai, S. (2011) *Real Estate Cycles: What can we learn?* [Online]. Available from: https://www.researchgate.net/publication/265010232_Real_Estate_Cycles_What_Can_We_Learn_Real_Estate_Cycles_What_Can_We_Learn [Accessed 12 December 2017].

Precision Marketing, (2006) *Consumer Insight*: Luxury as much to do with Emotions as Possessions, London: 12(06). pp.13

Princeton University (2016) *Interpreting Regression Output* [Online]. Available from: http://dss.princeton.edu/online_help/analysis/interpreting_regression.htm [Accessed 7 November 2016].

Property Words (2015) *Utility Value Words of Definition* [Online]. Available from: http://www.propertywords.com/Utility_Value.html [Accessed 8 December 2015].

Quality Progress (2008) *The Reality of Residual Analysis* [Online]. Available from http://asq.org/quality-progress/2008/06/statistics-roundtable/the-reality-of-residual-analysis.html [Accessed 16 May 2018].

Ratchatakulpat, T., Miller, R., Marchant, T. (2009) Real Estate Purchase Decisions in Australia: Is it more than location? *International Real Estate Review*, 12 (3), pp. 273 - 294.

Rating and Valuation Department (2016) *Property Market Statistics* [Online]. Available from: http://www.rvd.gov.hk/en/property_market_statistics/index.html [Accessed 4 November, 2016].

Reader's Digest (2018) *Affordable luxury goods investments that actually pay off* [Online]. Available from:https://www.readersdigest.co.uk/money/managing-your-money/affordable-luxury-goods-investments-that-actually-pay-off?amp=1 [Accessed 3 May, 2018].

Redwood, M. (2013) *Complacency is a 'luxury' we cannot afford* [Online]. Available from: http://www.internationalleathermaker.com/news/fullstory.php/aid/264/Complacency_is_a__91luxury_92_we_cannot_afford.html [Accessed 2 March 2016].

Research Paradigms and Approaches (2012) *Interpretivism and Positivism (Ontological and Epistemological Perspectives)* [Online]. Available from: https://prabash78.wordpress.com/2012/03/14/interpretivism-and-postivism-ontological-and-epistemological-perspectives [Accessed 4 October 2017].

Roulac, S. (2007) Brand + Beauty + Utility = Property Value, *Property Management.* December: 25 (5), pp. 428 - 446.

Russell, C. J. and Bobko, P. (1992) Moderated Regression Analysis and Likert Scales Too Coarse and Comfort, *Journal of Applied Psychology*, 77(3), pp. 336 – 342.

Salzman, D. A. and Zwinkels, R. C. J. (2013) Behavioural Real Estate, *Journal of Real Estate Literature*, Duisenberg School of Finance - Tinbergen Institute Discussion Paper.

Sapsford, R. (2007) *Survey Research*, 2nd ed. London: SAGE Publications.

Saunders, M. *et al*. (2009) *Research Method for Business Students*, 5th ed. Essex: Prentice Hall.

Savills (2015) *Asian Cities Report – Hong Kong Residential*. Hong Kong: Savills World Research.

Savills UK (2015) *The Education Equation* [Online]. Available from https://www.savills.co.uk/research_articles/229130/187195-0 [Accessed 5 May 2018].

Schiffman, L. and Kanuk, L. (2007) *Consumer Behavior*, 9th ed. New Jersey: Pearson Prentice Hall.

Schindler, R. M., Laala, V. Corcoran, C. (2014) Intergenerational Influence in Consumer Deal Proneness, *Psychology and Marketing*, 31(5), pp. 301 - 320.

Schumpeter, J. (1989) On the concept of Social Value, *Quarterly Journal of Economics*, 23, pp. 213-232.

Shipman, A. (2004) Lauding the leisure Class: Symbolic Content and Conspicuous Consumption, *Review of Social Economy*, LXII (3), pp. 277 – 289.

Shukla, P. (2008) Conspicuous Consumption among Middle Age Consumers: Psychological and Brand Antecedents, *Journal of Product & Brand Management*, 17 (1), pp. 25 - 36.

Shukla, P. (2012) The Influence of Value Perceptions on Luxury Purchase Intentions in Developed and Emerging Markets, *International Marketing Review*, 29 (6), pp. 574 - 596.

Sing Tao Daily (2016) 樓市閃電加辣 印花稅劃一 15% [Online]. Available from: https://hk.news.yahoo.com/%E6%A8%93%E5%B8%82%E9%96%83%E9%9B%BB%E5%8A%A0%E8%BE%A3-%E5%8D%B0%E8%8A%B1%E7%A8%85%E5%8A%83-15-221112833.html [Accessed 4 February 2017].

Sing Tao Daily (2016) *Mount Nicholson 2* 期每呎 10 萬創新高 [Online]. Available from: http://std.stheadline.com/instant/articles/detail/265803-%E5%9C%B0%E7%94%A2-MOUNT+NICHOLSON2%E6%9C%9F%E6%AF%8F%E5%91%8E10%E8%90%AC%E5%89%B5%E6%96%B0%E9%AB%98 [Accessed 9 November 2016].

South China Morning Post (2014) *Hong Kong unlikely to follow Singapore in raising taxes for luxury homeowners* [Online]. Available from: http://www.scmp.com/news/hong-kong/article/1159355/hong-kong [Accessed 15 May 2015].

South China Moring Post (2018) *Supply of new flats in Hong Kong to more than meet demand this year, but concerns remain on the horizon* [Online]. Available from: http://www.scmp.com/property/hong-kong-china/article/2126393/supply-new-flats-hk-more-meet-demand-year-concerns-remain [Accessed 3 January 2018].

Squirrell, M. (1997) *Readings in Property Economics* (eds), Deakin: The Australian Institute of Valuers and Land Economists.

Stat Trek (2018) *Residual Analysis in Regression* [Online]. Available from http://stattrek.com/regression/residual-analysis.aspx?Tutorial=AP [Accessed 22 May 2018].

Statistics How to (2018) *Residual Values (Residuals) in Regression Analysis* [Online]. Available from http://www.statisticshowto.com/residual/ [Accessed 22 May 2018].

Stegemann, N., Denize, S., Miller, K. E. (2011) Refinement of the Brand Luxury Index, *International Conference Luxury and Counterfeiting*: Wesford Geneva, June 9 - 10th.

Stine, R. and Foaster, D. (2011) *Statistics for Business – Decision Making and Analysis*, Boston: Pearson Education.

Sun, G., D'Alessandro, S., Johnson, L. W. (2016) Exploring Luxury Value Perceptions in China: Direct and Indirect Effects, *International Journal of Market Research*, 58 (5), pp. 771 – 732.

Sun Hung Kai Properties (2018) *Building Homes with Hearts* [Online]. Available from https://www.shkp.com/en-US/Pages/building-homes-with-heart [Accessed 6 May 2018].

Thaler, R. and Johnson, E. (1990) Gambling with The House Money and trying to Break Even: The Effects of Prior Outcomes on Risky Choice, *Management Science*, 36(6), pp. 643 – 660.

The Analysis Factor (2018) *Likert Scale Items as Predictor Variables in Regression* [Online]. Available from https://www.theanalysisfactor.com/likert-scale-items-as-predictor-variables-in-regression/ [Accessed 20 May, 2018].

The Analysis Factor (2018) *Can Likert Scale Data ever be Continuous?* [Online]. Available from https://www.theanalysisfactor.com/can-likert-scale-data-ever-be-continuous/ [Accessed 20 May, 2018].

The Standard (2014) *Swire third Mid-Levels unit sold for $430m* [Online]. Available from: http://www.thestandard.com.hk/news_detail.asp?art_id=146931&con_type=1 [Accessed on 18 October 2014].

The Standard (2016) *Luxury Property* – SEP/OCT 2016, Hong Kong: The Standard.

The Telegraph (2017) *Analysis: Five ways in which stamp duty is killing the housing market and harming the economy* [Online]. Available from: http://www.telegraph.co.uk/tax/news/analysis-five-ways-stamp-duty-killing-housing-market-harming/[Accessed 24 January 2017].

The Wall Street Journal (2014) *China Realtime Report*: 世界最貴豪宅在香港上市 [Online]. Available from: http://cn.wsj.com/gb/20140811/rec112531.asp?source=NewSearch [Accessed on 18 October 2014].

The World Bank (2016) *Chinese Core Values and Beliefs* [Online]. Available from: http://info.worldbank.org/etools/docs/library/242331/files/culture_values.htm [Accessed 18 March 2016].

Thomas, M. (2013) Identity: Its Purpose and Function within Consumer Residential Property Purchase Decisions, PhD thesis, *Southern Cross University*, Lismore, NSW.

Thompson, S. A. and Loveland, J. M. (2015) Integrating Identity and Consumption: An Identity Investment Theory, *Journal of Marketing Theory and Practice*, 23 (3), pp. 235 – 253.

Ting, K. H., and Tah, Y. K. (2015) The Role of Residential Property in Personal Investment Portfolios: The Case of Malaysia, *Pacific Rim Property Research Journal*, 10(4), pp. 466 – 486.

Truong, Y. *et al*. (2008) Status and Conspicuousness – Are They Related? Strategic Marketing Implications for Luxury Brands, *Journal of Strategic Marketing*, 16(3), pp. 189 - 203.

Trusty, J. Thompson, B., Petrocelli, J. V.(2004) Practical Guide for Reporting Effect Sizes in Quantitative Research in the Journal of Counseling and Development. *The Journal of Counseling and Development*, 82(1), pp. 107 – 110.

Tse, R. Y. C. (2003) *Investment in Hong Kong Real Estate*, Hong Kong: Mingpao Publishing.

Tse, R. Y. C., Ho, C. W., Ganesan, S. (1998) Measuring Housing Supply and Demand: An Empirical Study of Hong Kong's Market, *Construction Management and Economics*, 17, pp. 625 – 633.

Tse, R. Y. C. and Love, P. E. D. (2000) Measuring Residential Property Value in Hong Kong, *Property Management*, 18(5), pp. 366 – 374.

University of Pennsylvania (2015*) Conspicuous Consumption and Race: Who Spends More on What*, *Knowledge @ Wharton* [Online]. Available from: http://knowledge.wharton.upenn.edu/article.cfm?articleid=1963 [Accessed 9 May 2015].

Veblen, T., (1899) *The Theory of the Leisure Class*, 4th ed. New York: Penguin Books.

Vagias, W. M. (2006) *Likert-type scale response anchors*. Clemson International Institute for Tourism & Research Development, Department of Parks, Recreation and Tourism Management. Clemson University.

Vigneron, F. and Johnson, L. (1999) A Review and a Conceptual Framework of Prestige-Seeking Consumer Behaviour, *Academy of Marketing Science Review*. Vancouver, pp. 1 – 15.

Vigneron, F. and Johnson, L. (2004) Measuring Perceptions of Brand Luxury, *Journal of Brand Management*, 11 (6) pp. 484 - 606.

Vyvere, Y., Oppewal, H. Timmermans, H. (1998) The validity of Hierarchical Information Integration Choice Experiments to Model Residential Preference and Choice. *Geographical Analysis*, 30(3), pp. 254–272.

Vogel, M. (2010) The Significance of Residuals for Modeling Data, *International Association of Statistical Education.* Contributed Paper.

Wade, C. and Tavris, C. (2011) *Psychology*, 10th ed. New Jersey: Pearson Education.

Wake Forest University (2017) *Value of Life* [Online]. Available from: http://users.wfu.edu//palmitar/Law&Valuation/chapter%202/2-1-5.htm [Accessed 5 February 2017].

Walley, K. *et al*. (2013) The Key Dimensions of Luxury from a UK Consumers' Perspective, *Marketing Intelligence & Planning*, 31 (7), pp. 823 – 837.

Wang, Y. Sun, S. Song, Y. (2011) Chinese Luxury Consumers: Motivation, Attitude and Behaviour, *Journal of Promotion Management*, 17, pp. 345 – 359.

Wealth-X and Sotheby's International Realty (2015) *The Global Luxury Residential Real Estate Report* [Online]. Available from: http://www.wealthx.com/wp-content/uploads/2015/02/Wealth-X-Sothebys-Global-Luxury-Residential-Real-Estate-Report-2015.pdf [Accessed 6 December 2015].

Weber, C. M. (2011) *The Thinning of Veblen's "Conspicuous Consumption" in Modern Language of Economic* [Online]. Available from: http://cameroneconomics.com/cc.pdf [Accessed 16 November 2015].

Wheelock Properties (2016) *Register of Transaction, Mount Nicholson* [Online]. Available from: http://www.mountnicholson.com.hk/upload/register/743f7e67682f2c8adf972694aa6780279f72b5aa.pdf [Accessed 10 November 2016].

Whetten, D., (1989) What Constitutes a Theoretical Contribution?, *Academy of Management, The Acedemy of Management Review*.14(4), pp. 490-495.

Wiedmann, K. P, Hennigs, N., Siebels, A. (2007) Measuring Consumers' Luxury Value Perception: A Cross-Cultural Framework, *Academy of Marketing Science*, (7) [Online]. Available from: http://s1.downloadmienphi.net/file/downloadfile4/147/1389999.pdf [Accessed 20 November, 2016].

Wiedmann, K. P, Hennigs, N., Siebels, A. (2009) Value-Based Segmentation of Luxury Consumption Behaviour, *Psychology & Marketing*, 26 (7) pp. 625-651.

Wong, S. C. S. and Cheung, R. (2013) The Impact of Premium Property and Facilities Management Services on Customer Value Creation, *Business and Information*.

Wong, N.Y.C. (1997) Suppose you own the world and no one knows? Conspicuous Consumption, Materialism and Self, *Advances in Consumer Research*, 24, pp. 197-203.

Woychuk, I. (2009) *Exploring Real Estate Investments: Introduction* [Online]. Available from: http://www.investopedia.com/university/real_estate/ [Accessed on 28 April 2015].

Wu, W. Y., Yau, O. H. M., Lu, H. Y. (2012) Feng Shui Principles in Residential Housing Selection, *Psychology and Marketing*, 29(7), pp. 502 – 518.

Yamane, T. (1967) *Statistics, An Introductory Analysis*, 2nd ed. New York: Harper and Row.

Yu, D. (2014) Motivations of Luxury Consumption in America vs. China, *Graduate Theses and Dissertations.* Paper 13854.

Zeithaml, V. A. (1988) Consumer Perceptions of Price, Quality and Value: A Means-End Model and Synthesis of Evidence. *Journal of Marketing*. 52(3), pp. 2 – 22.

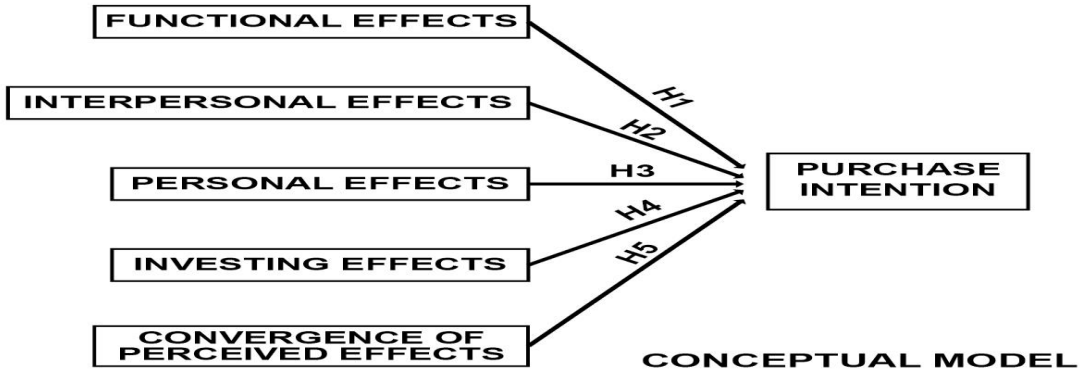
Zeithaml, V. A., Berry, L. L., Parasuraman, A. (1993) The Nature and Determinants of Customer Expectation of Service, *Journal of the Academy of Marketing Science*, 21(1), pp. 1 – 12.

Zeng, R. (2013) Attributes Influencing Home Buyers' Purchase Decisions: A Quantitative Study of the Wuhan Residential Housing Market, DBA thesis, *Southern Cross University*, Lismore, Australia.

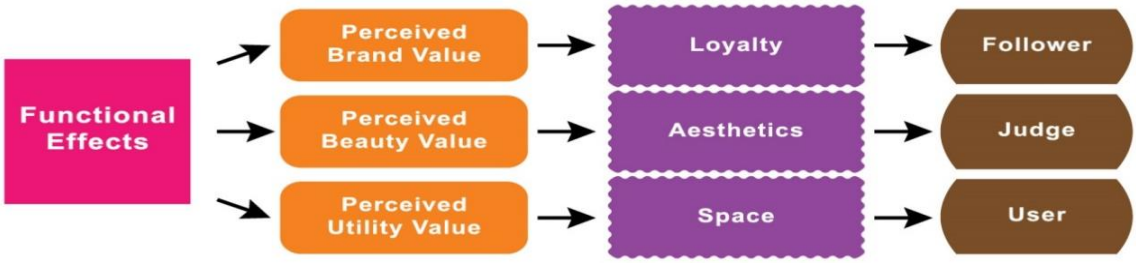
Zhan, L. and He, Y. (2012) Understanding luxury consumption in China: Consumer perceptions of best-known brands, *Journal of Business Research*, 65, pp. 1452 - 1460.

Appendix

Appendix 1: The Conceptual Model

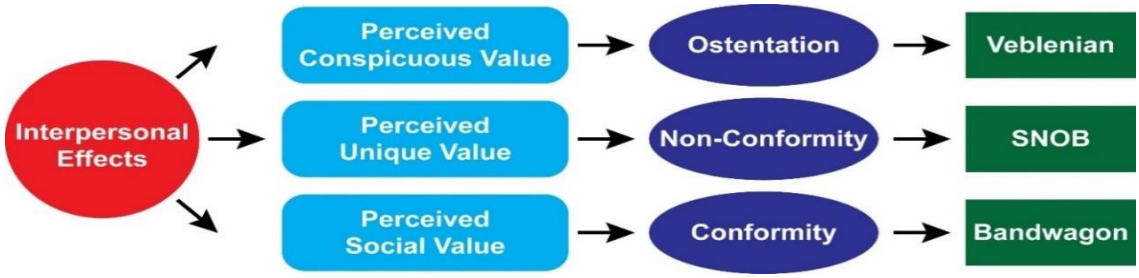


Appendix 2: 2a, 2b, 2c and 2d are the Independent Variables



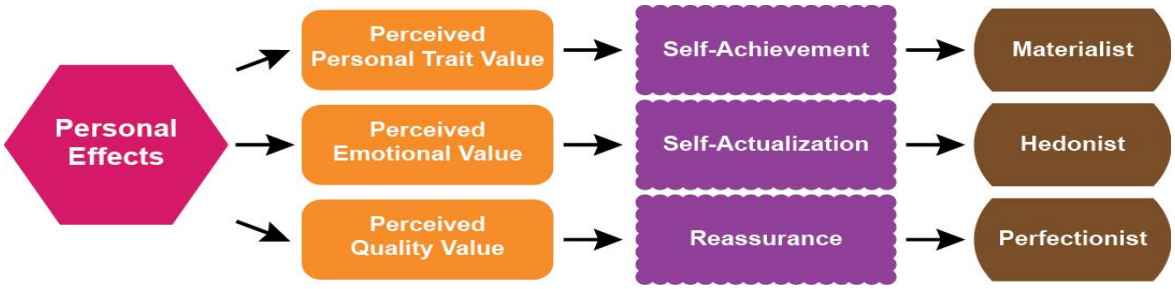
(2a)Functional Effects as ***Brand + Beauty + Utility (Trilogy Application) = Property Value***

*__Brand Value__ (which developer builds these properties and where it is)
*__Beauty Value__ (what the view and environment will be)
*__Utility Value__ (what sizes, configurations and functionalities will be)



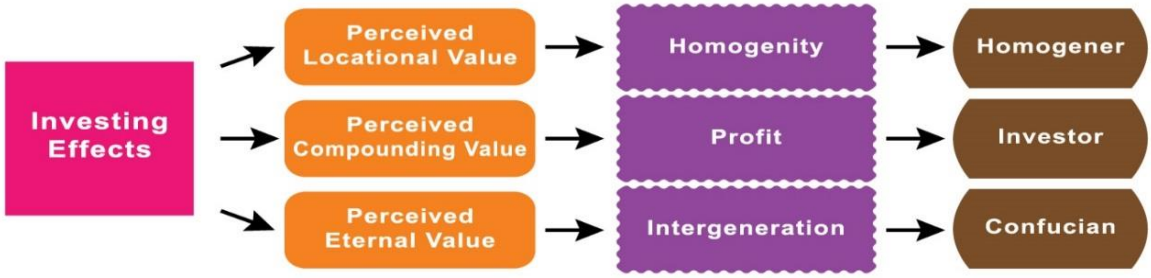
(2b) Interpersonal Effects consist of

*__Conspicuous Value__ (whom will be impressed by the brand or property)
*__Unique Value__ (which one is a luxury property and only a select few will get it)
*__Social Value__ (who pursues and adores it)



(2c)Personal Effects consist of

*__Personal Trait Value__ (why a desire is important for greater control of ownership)
*__Emotional Value__ (what pleasure or happiness derived from brand or property)
*__Quality Value__ (how good the property is)



(2d)Investing Effects

***Locational Value** (why homogenous people live in the same place)
***Compounding Value** (how the Return on Investment will be)
***Eternal Value** (how long the value lasting)

Appendix 3: The Constructs and The Relevance

Constructs	Containments	Diagram Illustrations
Functional Effects	*Brand Value, Beauty Value and Utility Value*	2a
Interpersonal Effects	*Conspicuous Value, Unique Value and Social Value*	2b
Personal Effects	*Personal Trait Value, Emotional Value and Quality Value*	2c
Investing Effects	*Locational Value, Compounding Value and Eternal Value*	2d

Appendix 4: The Constructs and The Sources of Survey Instrument

Perceived Values	**Related Constructs**	**Instruments of Prior Literature**	**Number of Survey Questions**
Perceived Brand Value	*Functional Effects*	Hennigs *et al*. (2012)	3
Perceived Beauty Value	*Functional Effects*	Wiedmann *et al.* (2009) Wang *et al.* (2011)	3
Perceived Utility Value	*Functional Effects*	Hennigs *et al.* (2012)	3
Perceived Conspicuous Value	*Interpersonal Effects*	Shukla, (2012)	3
Perceived Unique Value	*Interpersonal Effects*	Hennigs *et al.* (2012)	3
Perceived Social Value	*Interpersonal Effects*	Shukla, (2012)	3
Perceived Personal Trait Value	*Personal Effects*	Shukla, (2012) Wiedmann *et al.* (2009)	3
Perceived Emotional Value	*Personal Effects*	Shukla, (2012)	3
Perceived Quality Value	*Personal Effects*	Shukla, (2012)	3
Perceived Locational Value	*Investing Effects*	Hoffmann and Broekhuizen, (2009) Thomas, (2013)	3
Perceived Compounding Value	*Investing Effects*	Hoffmann and Broekhuizen, (2009)	3
Perceived Eternal Value	*Investing Effects*	Hoffmann and Broekhuizen, (2009) Hanzaee *et al*. (2012)	3
Purchase Intention	**Related Constructs**	**Instruments of Prior Literature**	**Number of Survey Questions**
Purchase Intention	*Purchase Intention*	Wong and Cheung, (2013)	3

Appendix 5a: Part of Demographic Information (Survey Questionnaire)

Gender	Male ___ Female ___
Nationality	Hong Kong _____ Others (Please Specify) _____
Household Income	HK$40,000 – HK$60,000 _____ HK$60,001 – HK$80,000 _____ HK$80,001 – HK$120,000 _____ HK$120,001 or above _____
Education	Primary ___ Secondary ____ Undergraduate ____ Postgraduate ____
Position	Managerial Position _____ Professional _____ Self-Owner _____ Other _____
Industry	Manufacturing _____ Exporting _____ Finance _____ Civil Servant ____ Professional _____ Others (Please Specify) _____
District you live in	Hong Kong Island _____ Kowloon _____ New Territories _____
Marital Status	Single ____ Married _____ Divorce _____
No. Of Children	1 – 2 ____ 3 + _____ Nil _____
Do you	☐ Own or ☐ Rent or ☐ Lease Property? Will you look for property in coming 24 months? ◉ Yes ○ No [Please circle either choice]

Appendix 5b: The Sources of Survey Instrument

FUNCTIONAL EFFECTS

D. Perceived Brand Value

1. I like to know what luxury brands and products make good impressions on others. (Hennigs *et al*., 2012)
2. To me, my friends' perceptions of different luxury brands or products are important. (Hennigs *et al*., 2012)
3. It is important to know what others think of people who use certain luxury brands or properties. (Hennigs *et al*., 2012)

E. Perceived Beauty Value

4. I usually keep up with style changes by watching what others buy. (Wiedmann *et al.*, 2009)
5. I actively avoid using properties that are not in style. (Wiedmann *et al.*, 2009)
6. Luxuries are fashionable. (Wang *et al.*, 2011)

F. Perceived Utility Value

7. The superior product quality is my major reason for buying a luxury property. (Hennigs *et al.*, 2012)

8. I place emphasis on quality assurance over prestige when considering the purchase of a luxury property (Hennigs *et al.*, 2012)
9. I am inclined to evaluate the substantive attributes and performance of a luxury property rather than listening to the opinions of others. (Hennigs *et al.*, 2012)

INTERPERSONAL EFFECTS

A. Perceived Conspicuous Value
10. Owning luxury property indicates a symbol of achievement (Shukla, 2012)
11. Owning luxury property indicates a symbol of wealth (Shukla, 2012)
12. Owning luxury property indicates a symbol of prestige (Shukla, 2012)

B. Perceived Unique Value
13. Luxury properties are inevitably very expensive. (Hennigs *et al.*, 2012)
14. Few people own a true luxury property. (Hennigs *et al.*, 2012)
15. Truly luxury properties cannot be mass-produced. (Hennigs *et al.*, 2012)

C. Perceived Social Value
16. I buy luxury property just because it has status (Shukla, 2012)
17. Luxury property is important to me because they make me feel that acceptable in my work circle (Shukla, 2012)
18. I purchase luxury property to gain/increase social status (Shukla, 2012)

PERSONAL EFFECTS

A. Perceived Personal Trait Value
19. Purchasing luxury property increases my happiness (Shukla, 2012)
20. It is important to me to own really nice luxury property (Shukla, 2012)
21. My life would be better if I owned certain things I don't have (Wiedmann *et al*., 2009)

B. Perceived Emotional Value
22. While living in luxury property, I feel the excitement of the hunt (Shukla, 2012)
23. When living in luxury property, I am able to forget my problems (Shukla, 2012)
24. When in a bad mood, living in luxury property enhances my mood (Shukla, 2012)

C. Perceived Quality Value
25. I believe luxury property are of superior quality (Shukla, 2012)
26. In my mind, the higher price charged by luxury goods indicate higher quality (Shukla, 2012)
27. You always have to pay a bit more for the best (Shukla, 2012)

INVESTING EFFECTS

A. Perceived Locational Value
28. I often consult other people to help choose the location to invest in (Hoffmann and Broekhuizen, 2009)
29. To make sure I buy the right location, I often observe what other investors invest in (Hoffmann and Broekhuizen, 2009)

30. The typical property owner in this location reflects the type of person I would like to be (Thomas, 2013).

B. Perceived Compounding Value
31. I invest because I like to participate in investment (Hoffmann and Broekhuizen, 2009)
32. I like to know what investment decisions make good impressions on others (Hoffmann and Broekhuizen, 2009)
33**.** An investment in a property will lead me to a gain because it will fit well with my self-concept (Hoffmann and Broekhuizen, 2009).

C. Perceived Eternal Value
34. I frequently gather information about (the type) of property from my family before I invest in (Hoffmann and Broekhuizen, 2009)
35. I achieve a sense of belonging by purchasing the same type of property (Hoffmann and Broekhuizen, 2009)
36. Luxury properties are long-lasting (Hanzaee *et al*. (2012)

PURCHASE INTENTION

37. I will purchase a property with consideration of above components (Wong and Cheung, 2013)
38. I will try to purchase a property with consideration of above components (Wong and
Cheung, 2013)
39. I plan to purchase a property with consideration of above components (Wong and
Cheung, 2013)

Appendix 6a: Multiple Regression Results of Four Independent Variables – Pilot Study

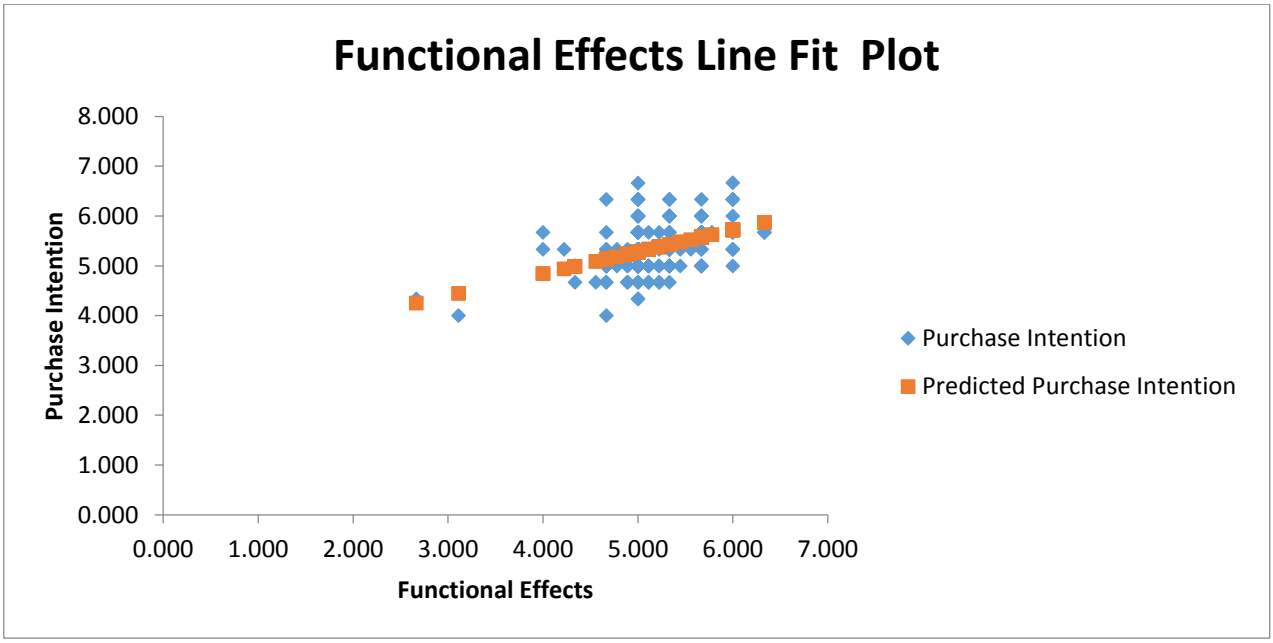
SUMMARY OUTPUT		RESULT OF	PILOT STUDY			
Regression Statistics						
Multiple R	0.777760713					
R Square	0.604911726					
Adjusted R Square	0.55223329					
Standard Error	0.197875956					
Observations	35					
ANOVA						
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	4	1.798478158	0.44961954	11.48309946	0.0000090	
Residual	30	1.174646813	0.03915489			
Total	34	2.973124971				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	1.972425434	0.565522837	3.48779095	0.001525436	0.817473721	3.127377147
Functional Effects	0.247364549	0.079829472	3.09866198	0.00419877	0.084331018	0.41039808
Interpersonal Effects	0.163369266	0.071397415	2.28816782	0.029345857	0.017556293	0.309182239
Personal Effects	-0.232918412	0.101500839	-2.2947437	0.028918742	-0.44021078	-0.02562604
Investing Effects	0.429783984	0.104714138	4.10435491	0.00028642	0.215929186	0.643638783

Appendix 6b: Simple Regression Result of 5th Independent Variables – Pilot Study

SUMMARY OUTPUT					
Regression Statistics					
Multiple R	0.619544558				
R Square	0.383835459				
Adjusted R Square	0.365163806				
Standard Error	0.235612302				
Observations	35				
ANOVA					
	df	*SS*	*MS*	*F*	*Significance F*
Regression	1	1.141190788	1.141190788	20.55712	0.000072
Residual	33	1.831934183	0.055513157		
Total	34	2.973124971			
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*
Intercept	2.139223462	0.651141952	3.285341169	0.002419	0.8144652
Convergence of Perceived Value	0.574286869	0.126662402	4.533996342	0.0000723	0.316590274

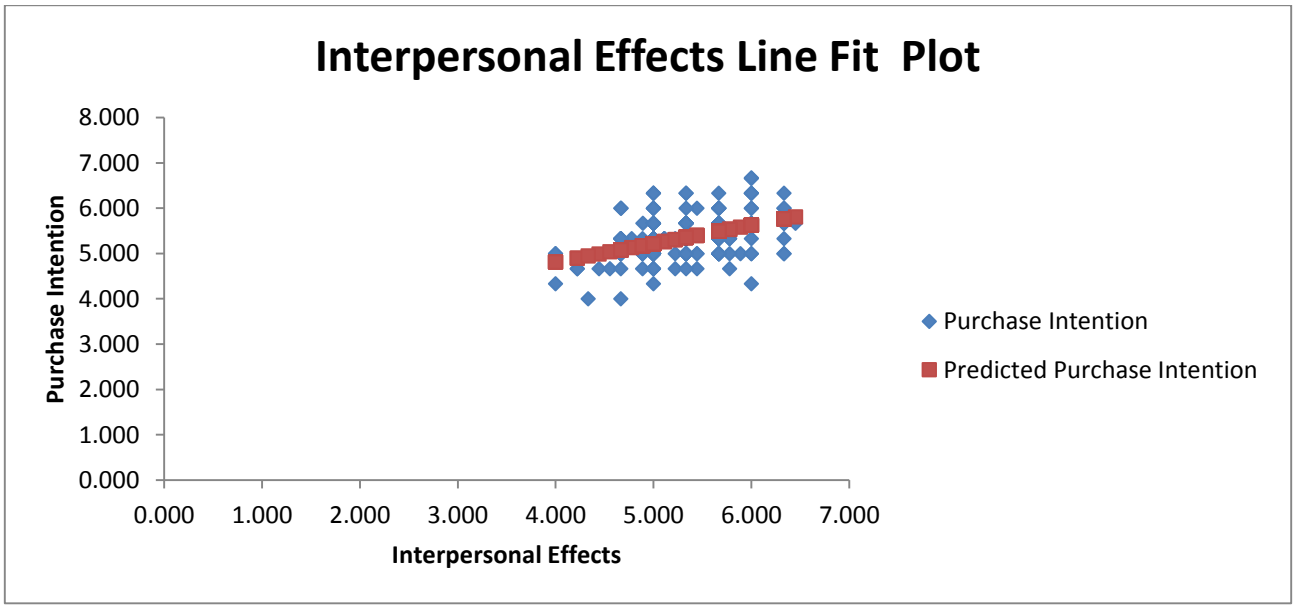
Appendix 7: Simple Regression Result of Functional Effects

SUMMARY OUTPUT		**Fuctional Effects**				
Regression Statistics						
Multiple R	0.429091283					
R Square	0.184119329					
Adjusted R Square	0.17999872					
Standard Error	0.431357696					
Observations	200					
ANOVA						
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	1	8.314057666	8.314058	44.68255	0.000000	
Residual	198	36.84175353	0.186069			
Total	199	45.1558112				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	3.074256795	0.33992877	9.043826	0.000000	2.403911319	3.744602271
Functional Effects	0.441481276	0.066045514	6.684501	0.000000	0.311238368	0.571724184
Dependent Variable: Purchase Intention						



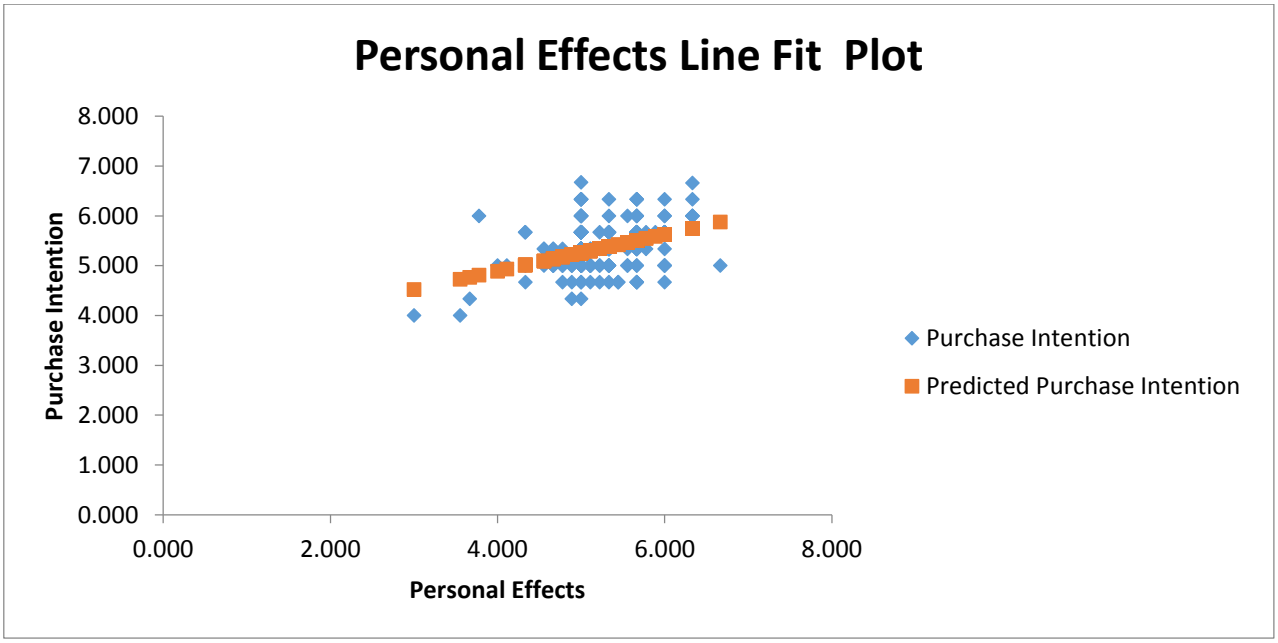
Appendix 8: Simple Regression Result of Interpersonal Effects

SUMMARY OUTPUT			Interpersonal Effects			
Regression Statistics						
Multiple R	0.421407115					
R Square	0.177583957					
Adjusted R Square	0.17343034					
Standard Error	0.433081883					
Observations	200					
ANOVA						
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	1	8.018947616	8.018948	42.75406	0.000000	
Residual	198	37.13686358	0.18756			
Total	199	45.1558112				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	3.177178913	0.331784667	9.576027	0.000000	2.522893752	3.831464074
Interpersonal Effects	0.408727958	0.062509449	6.538659	0.000000	0.285458231	0.531997685
Dependent Variable: Purchase Intention						



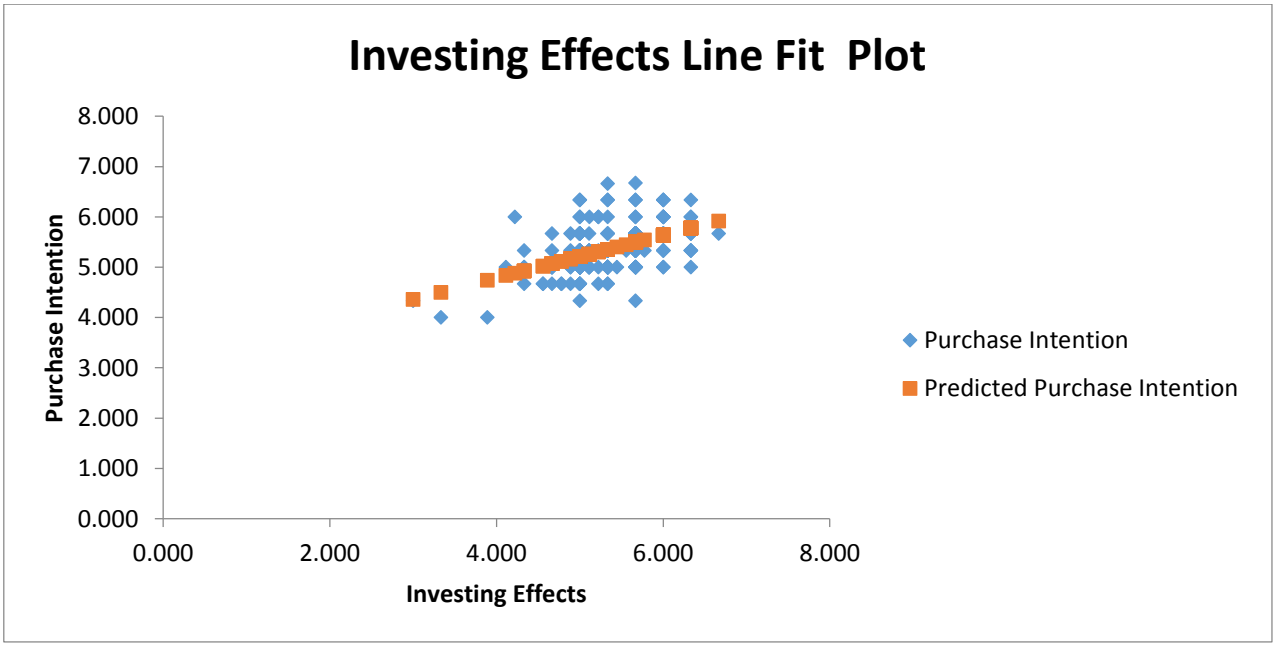
Appendix 9: Simple Regression Result of Personal Effects

SUMMARY OUTPUT			**Personal Effects**			
Regression Statistics						
Multiple R	0.397202787					
R Square	0.157770054					
Adjusted R Square	0.153516368					
Standard Error	0.438267805					
Observations	200					
ANOVA						
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	1	7.124234777	7.124235	37.09019	0.000000	
Residual	198	38.03157642	0.192079			
Total	199	45.1558112				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	3.414748066	0.317205919	10.76508	0.000000	2.789212449	4.040283683
Personal Effects	0.368669192	0.060535106	6.090172	0.000000	0.249292906	0.488045479
Dependent Variable: Purchase Intention						



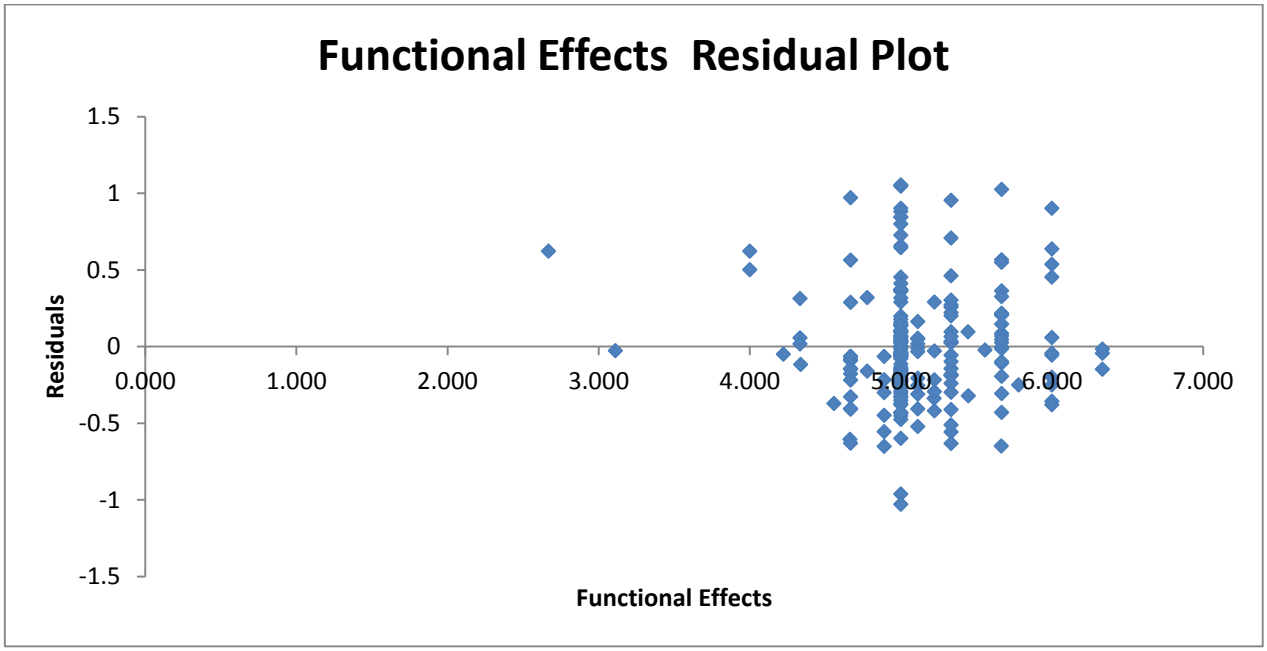
Appendix 10: Simple Regression Result of Investing Effects

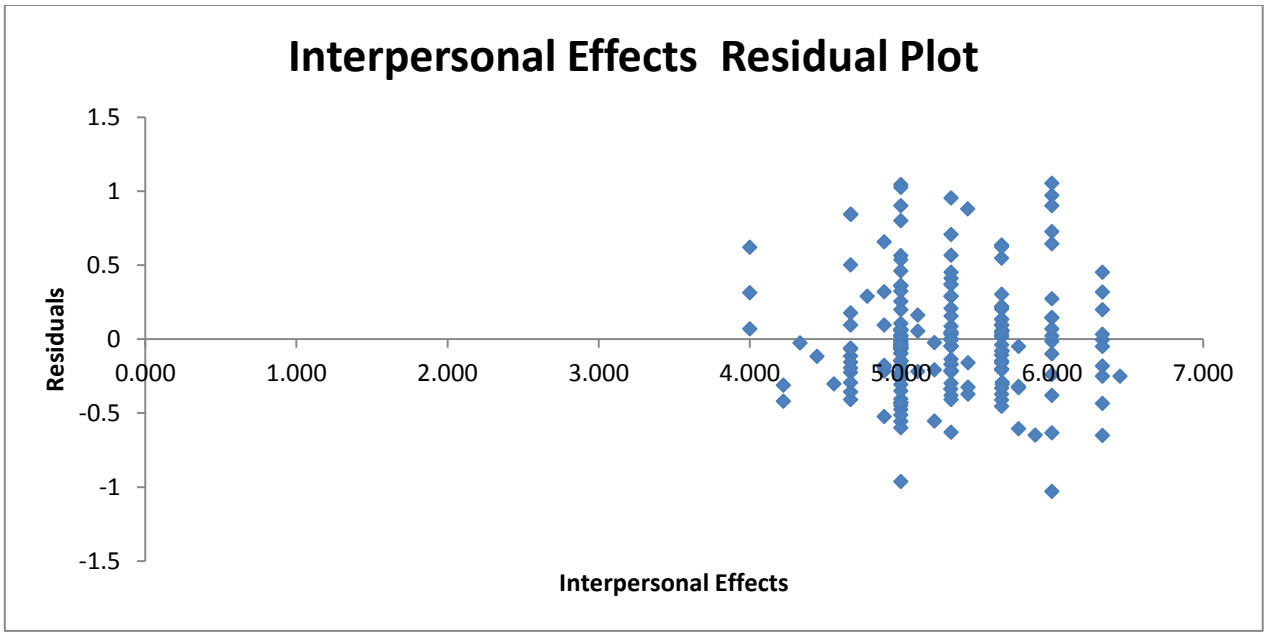
SUMMARY OUTPUT			**Investing Effects**			
egression Statistics						
Multiple R	0.468215761					
R Square	0.219225999					
Adjusted R Squar	0.215282696					
Standard Error	0.421975174					
Observations	200					
ANOVA						
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	1	9.899327831	9.89932783	55.59451	0.000000	
Residual	198	35.25648336	0.17806305			
Total	199	45.1558112				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	3.082162671	0.303926673	10.1411391	0.000000	2.482813959	3.681511383
Investing Effects	0.425501684	0.057067038	7.4561726	0.000000	0.312964488	0.53803888
Dependent Variable: Purchase Intention						

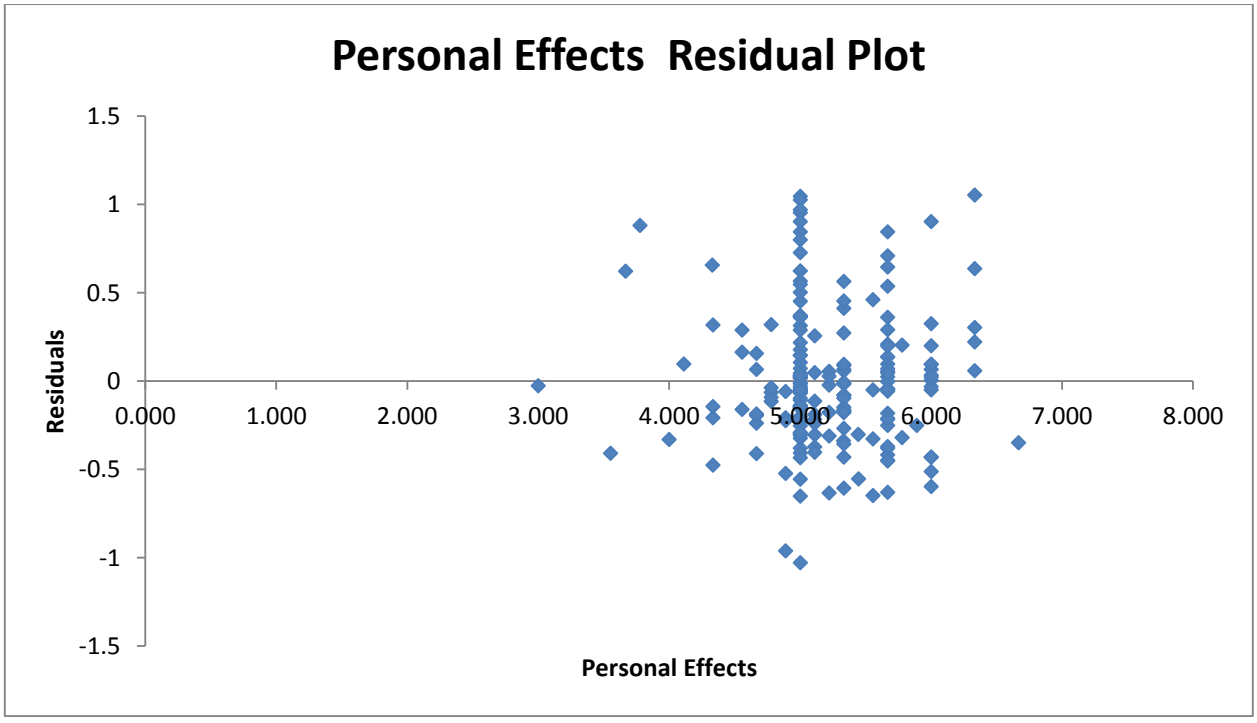


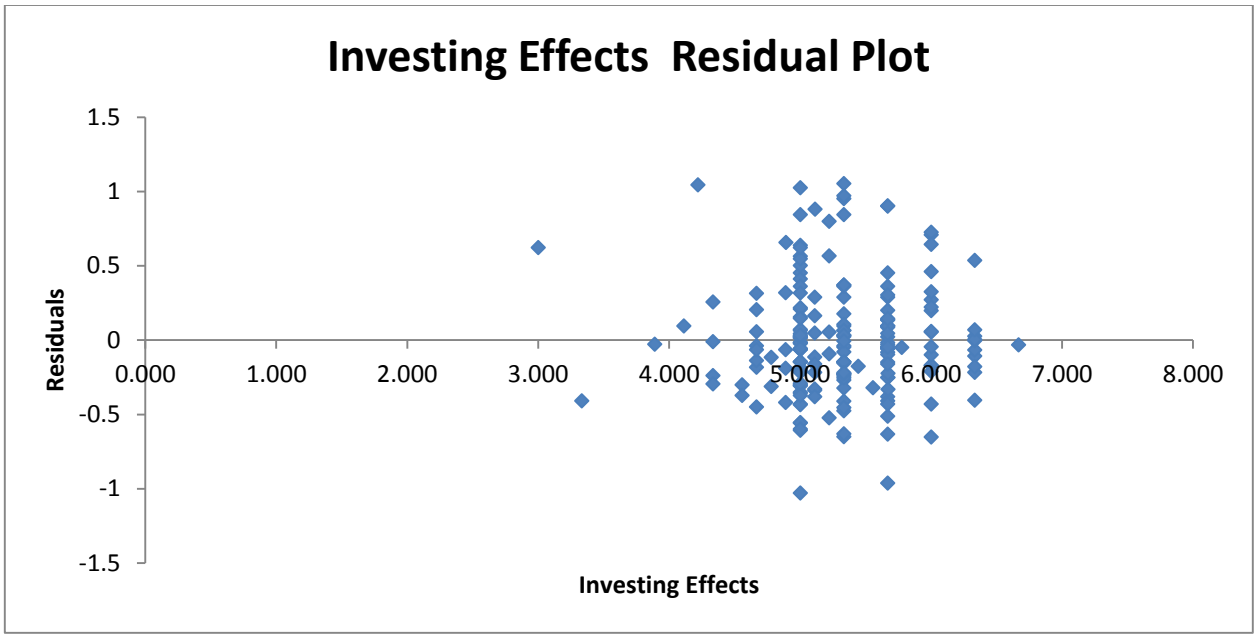
Appendix 11: Multiple Linear Regression Results of Four Independent Variables

SUMMARY OUTPUT						
Regression Statistics						
Multiple R	0.61113853					
R Square	0.373490303					
Adjusted R Square	0.360638822					
Standard Error	0.380893373					
Observations	200					
ANOVA						
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	4	16.86525762	4.2163144	29.0620439	0.000000	
Residual	195	28.29055358	0.14507976			
Total	199	45.1558112				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	1.016438519	0.405384355	2.5073452	0.01298053	0.216937851	1.815939187
Functional Effects	0.242806727	0.064411109	3.76964052	0.00021659	0.115774877	0.369838578
Interpersonal Effects	0.216251509	0.060280991	3.58739138	0.00042232	0.097365093	0.335137924
Personal Effects	0.122384326	0.061390618	1.99353468	0.04759677	0.001309501	0.243459152
Investing Effects	0.244357672	0.059867741	4.08162505	0.000065	0.12628627	0.362429073




Interpersonal Effects Residual Plot
Residuals
Interpersonal Effects
1.5
1
0.5
0
-0.5
-1
-1.5
0.000
1.000
2.000
3.000
4.000
5.000
6.000
7.000


Personal Effects Residual Plot
Residuals
Personal Effects
1.5
1
0.5
0
-0.5
-1
-1.5
0.000
1.000
2.000
3.000
4.000
5.000
6.000
7.000
8.000



RESIDUAL OUTPUT

Observation	*Predicted Purchase Intention*	*Residuals*	*Standard Residuals*
1	5.119175494	0.880824506	2.336120306
2	4.954840706	1.045159294	2.771968574
3	5.012775181	0.657224819	1.743089837
4	5.337486339	-0.337486339	-0.895080331
5	5.921035315	-0.251035315	-0.665795165
6	5.648448161	-0.648448161	-1.719812408
7	5.272611477	-0.605611477	-1.606201076
8	5.188751371	-0.188751371	-0.500605862
9	5.064195121	-0.064195121	-0.170258121
10	4.782779712	-0.115779712	-0.30707063
11	5.189050062	-0.522050062	-1.384579723
12	5.207058769	-0.207058769	-0.549160691
13	5.285354157	0.047645843	0.126366171
14	5.277811878	0.055188122	0.146369785
15	5.085605754	-0.418605754	-1.110225016
16	5.216047228	-0.216047228	-0.572999856
17	5.32799811	-0.32799811	-0.869915676
18	5.549851182	-0.216851182	-0.575132103
19	5.355617386	-0.022617386	-0.059985767
20	4.968193924	-0.301193924	-0.798825687

21	4.977313838	-0.310313838	-0.823013498
22	5.114136299	-0.114136299	-0.302711975
23	5.043609678	0.289390322	0.767520207
24	4.90345113	0.09654887	0.256066645
25	5.169424572	0.163575428	0.433834295
26	5.160337327	-0.160337327	-0.425246212
27	5.091663132	-0.091663132	-0.243108704
28	5.059843277	-0.059843277	-0.158716173
29	5.013239657	0.319760343	0.848067493
30	5.382446968	-0.049446968	-0.131143112
31	5.220957003	-0.553957003	-1.469203224
32	5.176245259	-0.176245259	-0.467437185
33	5.653295842	-0.320295842	-0.849487742
34	4.685864989	0.314135011	0.833148002
35	5.038832894	-0.371832894	-0.986174167
36	3.710866436	0.622133564	1.650020909
37	4.026287999	-0.026287999	-0.069720959
38	4.408138938	-0.408138938	-1.082464957
39	5.403898486	-0.403898486	-1.071218441
40	5.727657491	0.272342509	0.722306045
41	5.389280897	-0.056280897	-0.149268038
42	5.534296359	0.135703641	0.35991282
43	5.348145758	-0.015145758	-0.040169536
44	5.461033875	0.208966125	0.554219375
45	5.303912861	-0.303912861	-0.806036845
46	4.942870479	0.057129521	0.151518758
47	5.145180449	-0.475180449	-1.260272265
48	5.430551342	-0.430551342	-1.141907072
49	5.356988645	-0.356988645	-0.946804293
50	5.817081361	-0.147081361	-0.390088778
51	5.921126591	-0.251126591	-0.666037246
52	5.307924676	0.025075324	0.066504705
53	5.238805291	-0.238805291	-0.633358729
54	5.294841596	-0.961841596	-2.550993608
55	5.10533903	0.56466097	1.497592254
56	5.223562917	-0.223562917	-0.592932947
57	5.538697687	0.461302313	1.223464712
58	5.267564775	0.065435225	0.173547122
59	5.60620061	1.05379939	2.794883811

60	5.71371797	-0.04371797	-0.115948679
61	5.390056602	-0.057056602	-0.151325362
62	5.076892423	0.256107577	0.679247803
63	5.2080491	-0.2080491	-0.551787246
64	5.22629433	-0.55629433	-1.475402275
65	5.583144077	0.086855923	0.230359038
66	5.574274634	0.095725366	0.25388255
67	5.380438009	-0.047438009	-0.125814956
68	5.642577543	0.027422457	0.072729765
69	5.379677187	0.953322813	2.528400114
70	5.380452892	-0.047452892	-0.12585443
71	5.777360309	-0.107360309	-0.284740714
72	5.502563094	-0.169563094	-0.449714767
73	5.713251973	-0.380251973	-1.008503226
74	5.217451442	0.452548558	1.200248027
75	4.964344464	-0.294344464	-0.780659569
76	4.83062121	0.50237879	1.33240763
77	5.176697461	0.156302539	0.414545158
78	5.298822547	0.371177453	0.984435809
79	5.695624481	0.637375519	1.69044558
80	5.316630993	0.016369007	0.043413835
81	5.430810583	0.902189417	2.392784263
82	5.155058283	0.844941717	2.240952072
83	5.307391777	1.025608223	2.720115277
84	5.258205423	0.411794577	1.092160432
85	5.308426257	0.361573743	0.958964877
86	5.685352566	-0.015352566	-0.040718033
87	5.267824016	0.065175984	0.172859563
88	5.399156713	-0.066156713	-0.175460652
89	5.362207663	0.970792337	2.574732737
90	5.298822547	0.034177453	0.090645346
91	5.30844114	0.36155886	0.958925403
92	5.433650932	0.566349068	1.502069422
93	5.298306082	-0.298306082	-0.791166562
94	5.465475435	0.204524565	0.542439484
95	5.298822547	0.371177453	0.984435809
96	5.380438009	0.289561991	0.767975507
97	5.41115121	-0.41115121	-1.090454097
98	5.380438009	-0.380438009	-1.00899663

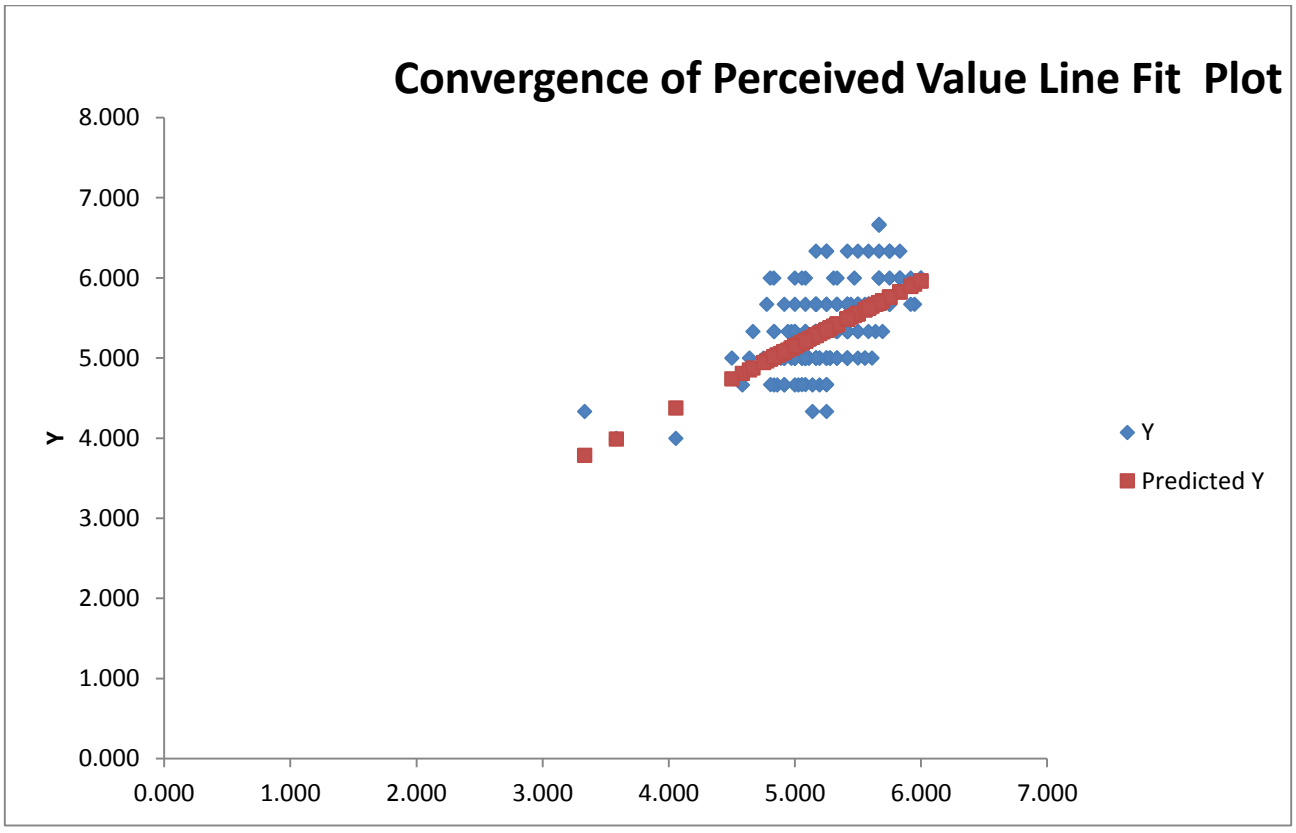
99	5.36232935	-0.02932935	-0.077787221
100	5.534296359	0.135703641	0.35991282
101	6.00301416	-0.00301416	-0.007994147
102	5.413214108	-0.080214108	-0.212743634
103	5.471427707	0.198572293	0.526652883
104	5.267564775	-0.267564775	-0.709634552
105	5.514816832	-0.181816832	-0.482214097
106	5.349180237	-0.016180237	-0.042913181
107	5.240395455	-0.240395455	-0.637576156
108	5.194626044	-0.194626044	-0.516186652
109	5.299598252	-0.629598252	-1.669818734
110	5.615667463	0.054332537	0.144100603
111	5.136080338	-0.136080338	-0.360911893
112	5.407389556	-0.407389556	-1.080477447
113	5.502563094	-0.169563094	-0.449714767
114	5.06458505	-0.06458505	-0.171292289
115	5.154799042	0.178200958	0.472624085
116	5.6242941	0.7087059	1.879627818
117	5.289679446	0.043320554	0.114894653
118	5.767484493	0.902515507	2.393649118
119	5.371050551	-0.038050551	-0.100917565
120	5.380108583	0.289891417	0.76884921
121	5.532486174	-0.199486174	-0.529076675
122	5.719806917	-0.049806917	-0.132097767
123	5.575050339	0.094949661	0.251825226
124	5.451631533	0.548368467	1.454381323
125	5.778030065	0.221969935	0.588708045
126	5.543439459	-0.210439459	-0.558126949
127	5.451631533	0.218368467	0.57915624
128	5.226810794	-0.226810794	-0.601546958
129	5.575050339	0.094949661	0.251825226
130	5.511665223	-0.511665223	-1.357037083
131	5.145956154	-0.145956154	-0.387104506
132	5.60604887	0.72695113	1.928017765
133	5.768000957	-0.098000957	-0.259917866
134	5.307391777	0.362608223	0.961708521
135	5.352072605	0.317927395	0.843206152
136	5.322826464	-0.322826464	-0.856199451
137	5.185540349	-0.185540349	-0.492089599

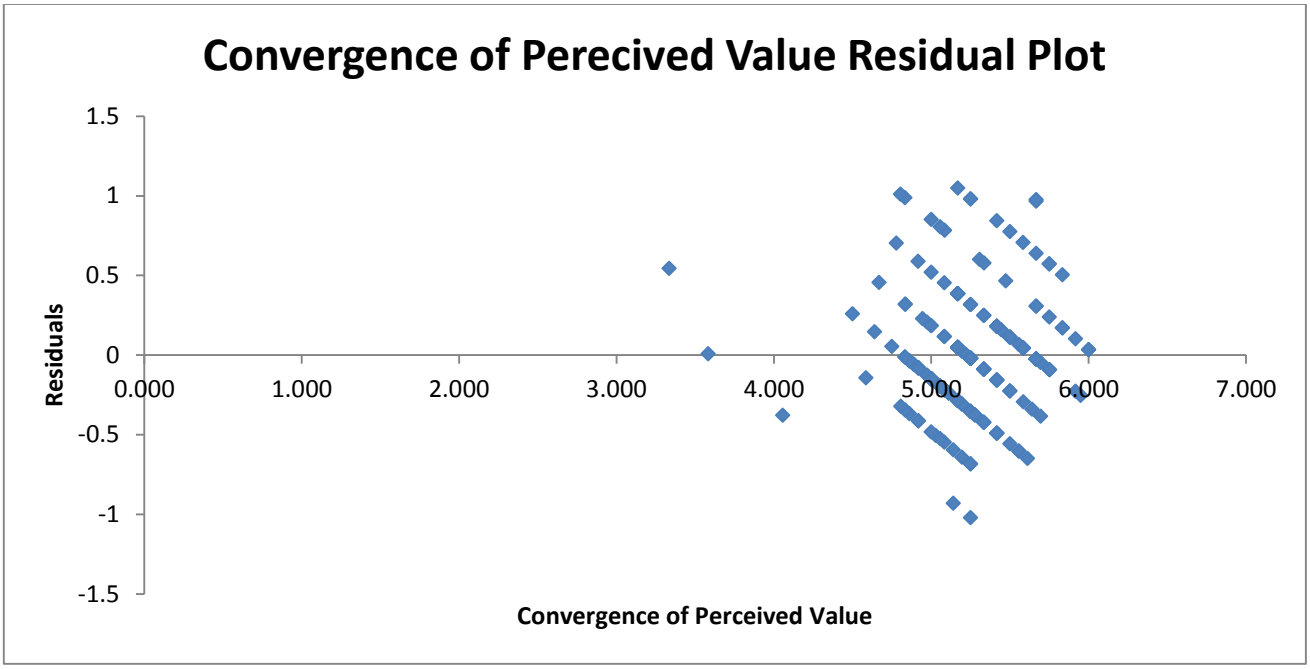
138	5.00940467	-0.00940467	-0.024943039
139	5.361691199	-1.028691199	-2.728291936
140	5.036899265	-0.036899265	-0.097864127
141	5.702119801	-0.032119801	-0.085188048
142	5.236429388	0.096570612	0.25612431
143	5.145956154	-0.145956154	-0.387104506
144	5.226810794	-0.226810794	-0.601546958
145	5.799928484	0.200071516	0.530629117
146	5.267824016	-0.597824016	-1.585547193
147	5.253762341	-0.253762341	-0.673027776
148	5.632701726	-0.632701726	-1.678049759
149	5.687679216	0.645320784	1.71151799
150	4.929188181	0.070811819	0.187806909
151	5.307391777	-0.307391777	-0.815263616
152	5.674133775	0.325866225	0.864261496
153	5.429776103	-0.429776103	-1.139850986
154	5.226810794	-0.226810794	-0.601546958
155	5.452680896	-0.452680896	-1.200599015
156	5.349454362	-0.349454362	-0.926821887
157	4.983487603	0.016512397	0.043794135
158	5.064068585	-0.064068585	-0.169922523
159	5.523643286	0.146356714	0.388166871
160	5.144663984	-0.144663984	-0.383677417
161	5.433702951	-0.433702951	-1.150265761
162	5.371309792	-0.371309792	-0.984786797
163	5.411804531	-0.078804531	-0.209005159
164	5.06458505	-0.06458505	-0.171292289
165	5.155447796	0.844552204	2.239919006
166	5.290328201	-0.290328201	-0.770007646
167	5.118747384	-0.448747384	-1.190166564
168	5.199687093	0.800312907	2.122587667
169	5.14543969	-0.14543969	-0.385734741
170	5.651109076	-0.651109076	-1.72686968
171	5.388246417	-0.055246417	-0.146524394
172	5.046872719	0.623127281	1.652656443
173	5.430810583	-0.430810583	-1.14259463
174	5.665564545	0.004435455	0.011763702
175	5.33101476	-0.33101476	-0.877916425
176	5.14543969	-0.14543969	-0.385734741

177	5.307391777	0.025608223	0.067918058
178	5.226810794	0.106189206	0.281634716
179	5.154799042	-0.154799042	-0.410557589
180	5.795605539	0.537394461	1.425276095
181	5.880250226	0.452749774	1.200781692
182	5.307665435	0.025334565	0.067192264
183	5.524677765	0.145322235	0.385423226
184	5.430034878	-0.097034878	-0.257355633
185	5.714234434	-0.044234434	-0.117318444
186	5.636941918	0.033058082	0.087676554
187	5.69665896	0.30334104	0.804520262
188	5.266911454	0.066088546	0.175279858
189	5.647062092	0.022937908	0.060835856
190	5.298822547	0.034177453	0.090645346
191	5.145956154	-0.145956154	-0.387104506
192	5.493419994	-0.160419994	-0.425465461
193	5.511922447	-0.178922447	-0.474537615
194	5.217451442	-0.217451442	-0.57672411
195	5.931002408	0.068997592	0.182995223
196	5.380438009	-0.047438009	-0.125814956
197	5.217967907	-0.217967907	-0.578093876
198	5.624020442	0.045979558	0.121946856
199	5.339576527	-0.006576527	-0.017442248
200	5.940630907	0.059369093	0.157458544

Appendix 12: Simple Regression Result of the 5th Independent Variable

Regression Statistics						
Multiple R	0.605312975					
R Square	0.366403798					
Adjusted R Square	0.363203817					
Standard Error	0.38012857					
Observations	200					
ANOVA						
	df	*SS*	*MS*	*F*	*Significance F*	
Regression	1	16.54526071	16.54526	114.5019	0.00000000	
Residual	198	28.61055048	0.144498			
Total	199	45.1558112				
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	1.065236163	0.40014561	2.662121	0.008403	0.276142026	1.854330299
Convergence of Perceived Value	0.816582088	0.076312126	10.70055	0.000000	0.666093242	0.967070935





RESIDUAL OUTPUT

Observation	*Predicted Purchase Intention*	*Residuals*	*Standard Residuals*
1	5.011777396	0.988222604	2.606262857
2	4.988913098	1.011086902	2.666563412
3	4.966048799	0.703951201	1.856547159
4	5.350658963	-0.350658963	-0.924801179
5	5.922266425	-0.252266425	-0.665308211
6	5.647078261	-0.647078261	-1.706554808
7	5.30656353	-0.63956353	-1.686736031
8	5.19305862	-0.19305862	-0.509158066
9	5.057505993	-0.057505993	-0.151661916
10	4.808448456	-0.141448456	-0.37304536
11	5.171010903	-0.504010903	-1.329239881
12	5.193875202	-0.193875202	-0.511311657
13	5.284515814	0.048484186	0.127868492
14	5.284515814	0.048484186	0.127868492
15	5.148146605	-0.481146605	-1.268939325
16	5.215922918	-0.215922918	-0.569458621
17	5.375156425	-0.375156425	-0.989408917
18	5.352292127	-0.019292127	-0.050879583
19	5.352292127	-0.019292127	-0.050879583
20	5.034641694	-0.367641694	-0.96959014
21	5.012593978	-0.345593978	-0.911443176
22	5.125282306	-0.125282306	-0.330409991

23	5.012593978	0.320406022	0.845014383
24	4.853360471	0.146639529	0.3867359
25	5.126098888	0.206901112	0.545665197
26	5.126098888	-0.126098888	-0.332563582
27	5.080370291	-0.080370291	-0.211962471
28	5.057505993	-0.057505993	-0.151661916
29	5.012593978	0.320406022	0.845014383
30	5.42006844	-0.08706844	-0.229627657
31	5.261651515	-0.594651515	-1.568288511
32	5.193875202	-0.193875202	-0.511311657
33	5.670759141	-0.337759141	-0.890780175
34	4.739855561	0.260144439	0.686085086
35	5.080370291	-0.413370291	-1.090191251
36	3.787720845	0.545279155	1.438077617
37	3.991049785	0.008950215	0.023604613
38	4.376476531	-0.376476531	-0.992890464
39	5.375156425	-0.375156425	-0.989408917
40	5.692806858	0.307193142	0.810167743
41	5.352292127	-0.019292127	-0.050879583
42	5.556437649	0.113562351	0.299500676
43	5.352292127	-0.019292127	-0.050879583
44	5.488661336	0.181338664	0.47824875
45	5.307380112	-0.307380112	-0.810660842
46	5.011777396	-0.011777396	-0.031060805
47	5.080370291	-0.410370291	-1.08227928
48	5.42006844	-0.42006844	-1.107856437
49	5.352292127	-0.352292127	-0.929108362
50	5.760583171	-0.090583171	-0.23889714
51	5.89695238	-0.22695238	-0.598546881
52	5.352292127	-0.019292127	-0.050879583
53	5.215922918	-0.215922918	-0.569458621
54	5.261651515	-0.928651515	-2.449154614
55	5.148146605	0.521853395	1.376296307
56	5.194691784	-0.194691784	-0.513465248
57	5.53357335	0.46642665	1.230118039
58	5.284515814	0.048484186	0.127868492
59	5.692806858	0.967193142	2.55080136
60	5.692806858	-0.022806858	-0.060149065
61	5.420885022	-0.087885022	-0.231781249
62	5.102418008	0.230581992	0.608119344
63	5.148146605	-0.148146605	-0.390710546

64	5.215922918	-0.545922918	-1.439775429
65	5.556437649	0.113562351	0.299500676
66	5.556437649	0.113562351	0.299500676
67	5.352292127	-0.019292127	-0.050879583
68	5.602166246	0.067833754	0.178899565
69	5.352292127	0.980707873	2.586444079
70	5.42006844	-0.08706844	-0.229627657
71	5.692806858	-0.022806858	-0.060149065
72	5.488661336	-0.155661336	-0.410529324
73	5.715671156	-0.382671156	-1.009227695
74	5.215922918	0.454077082	1.197548232
75	4.98972968	-0.31972968	-0.843230649
76	4.876224769	0.456775231	1.204664124
77	5.148146605	0.184853395	0.487518233
78	5.284515814	0.385484186	1.016646566
79	5.760583171	0.572416829	1.509648447
80	5.307380112	0.025619888	0.067567937
81	5.488661336	0.844338664	2.226794338
82	5.2167395	0.7832605	2.06571145
83	5.284515814	1.048484186	2.765192154
84	5.284515814	0.385484186	1.016646566
85	5.284515814	0.385484186	1.016646566
86	5.624213962	0.045786038	0.120752601
87	5.352292127	-0.019292127	-0.050879583
88	5.352292127	-0.019292127	-0.050879583
89	5.352292127	0.980707873	2.586444079
90	5.284515814	0.048484186	0.127868492
91	5.352292127	0.317707873	0.837898491
92	5.398020724	0.601979276	1.587614189
93	5.284515814	-0.284515814	-0.750360287
94	5.511525634	0.158474366	0.417948195
95	5.284515814	0.385484186	1.016646566
96	5.352292127	0.317707873	0.837898491
97	5.352292127	-0.352292127	-0.929108362
98	5.352292127	-0.352292127	-0.929108362
99	5.329427828	0.003572172	0.009420973
100	5.556437649	0.113562351	0.299500676
101	5.964728693	0.035271307	0.093021852
102	5.420885022	-0.087885022	-0.231781249
103	5.488661336	0.181338664	0.47824875
104	5.284515814	-0.284515814	-0.750360287

105	5.556437649	-0.223437649	-0.589277398
106	5.352292127	-0.019292127	-0.050879583
107	5.238787217	-0.238787217	-0.629759176
108	5.148146605	-0.148146605	-0.390710546
109	5.352292127	-0.682292127	-1.79942517
110	5.625030544	0.044969456	0.118599009
111	5.148146605	-0.148146605	-0.390710546
112	5.375156425	-0.375156425	-0.989408917
113	5.488661336	-0.155661336	-0.410529324
114	5.080370291	-0.080370291	-0.211962471
115	5.148146605	0.184853395	0.487518233
116	5.624213962	0.708786038	1.869298188
117	5.284515814	0.048484186	0.127868492
118	5.692806858	0.977193142	2.577174596
119	5.352292127	-0.019292127	-0.050879583
120	5.42006844	0.24993156	0.659150417
121	5.488661336	-0.155661336	-0.410529324
122	5.761399753	-0.091399753	-0.241050732
123	5.625030544	0.044969456	0.118599009
124	5.420885022	0.579114978	1.527313634
125	5.828359484	0.171640516	0.452671593
126	5.556437649	-0.223437649	-0.589277398
127	5.420885022	0.249114978	0.656996825
128	5.215922918	-0.215922918	-0.569458621
129	5.625030544	0.044969456	0.118599009
130	5.556437649	-0.556437649	-1.467506178
131	5.148146605	-0.148146605	-0.390710546
132	5.556437649	0.776562351	2.048046263
133	5.692806858	-0.022806858	-0.060149065
134	5.284515814	0.385484186	1.016646566
135	5.284515814	0.385484186	1.016646566
136	5.30656353	-0.30656353	-0.808507251
137	5.148146605	-0.148146605	-0.390710546
138	5.034641694	-0.034641694	-0.09136136
139	5.352292127	-1.019292127	-2.688203244
140	5.034641694	-0.034641694	-0.09136136
141	5.715671156	-0.045671156	-0.120449621
142	5.284515814	0.048484186	0.127868492
143	5.148146605	-0.148146605	-0.390710546
144	5.215922918	-0.215922918	-0.569458621
145	5.828359484	0.171640516	0.452671593

146	5.352292127	-0.682292127	-1.79942517
147	5.238787217	-0.238787217	-0.629759176
148	5.602166246	-0.602166246	-1.588107289
149	5.692806858	0.640193142	1.688396522
150	4.944001083	0.055998917	0.14768727
151	5.284515814	-0.284515814	-0.750360287
152	5.692806858	0.307193142	0.810167743
153	5.488661336	-0.488661336	-1.288758103
154	5.215922918	-0.215922918	-0.569458621
155	5.488661336	-0.488661336	-1.288758103
156	5.488661336	-0.488661336	-1.288758103
157	5.011777396	-0.011777396	-0.031060805
158	5.080370291	-0.080370291	-0.211962471
159	5.488661336	0.181338664	0.47824875
160	5.080370291	-0.080370291	-0.211962471
161	5.42006844	-0.42006844	-1.107856437
162	5.420885022	-0.420885022	-1.110010028
163	5.42006844	-0.08706844	-0.229627657
164	5.080370291	-0.080370291	-0.211962471
165	5.148146605	0.851853395	2.246613116
166	5.285332396	-0.285332396	-0.752513878
167	5.193875202	-0.523875202	-1.381628465
168	5.193875202	0.806124798	2.126012005
169	5.148146605	-0.148146605	-0.390710546
170	5.602166246	-0.602166246	-1.588107289
171	5.352292127	-0.019292127	-0.050879583
172	5.080206975	0.589793025	1.5554751
173	5.488661336	-0.488661336	-1.288758103
174	5.692806858	-0.022806858	-0.060149065
175	5.216984475	-0.216984475	-0.57225829
176	5.148146605	-0.148146605	-0.390710546
177	5.284515814	0.048484186	0.127868492
178	5.215922918	0.117077082	0.308770158
179	5.148146605	-0.148146605	-0.390710546
180	5.760583171	0.572416829	1.509648447
181	5.828359484	0.504640516	1.330900373
182	5.284515814	0.048484186	0.127868492
183	5.488661336	0.181338664	0.47824875
184	5.625030544	-0.292030544	-0.770179065
185	5.692806858	-0.022806858	-0.060149065
186	5.692806858	-0.022806858	-0.060149065

187	5.760583171	0.239416829	0.631419668
188	5.215922918	0.117077082	0.308770158
189	5.692806858	-0.022806858	-0.060149065
190	5.284515814	0.048484186	0.127868492
191	5.148146605	-0.148146605	-0.390710546
192	5.488661336	-0.155661336	-0.410529324
193	5.488661336	-0.155661336	-0.410529324
194	5.215922918	-0.215922918	-0.569458621
195	5.89695238	0.10304762	0.271769927
196	5.353108709	-0.020108709	-0.053033174
197	5.215922918	-0.215922918	-0.569458621
198	5.625030544	0.044969456	0.118599009
199	5.352292127	-0.019292127	-0.050879583
200	5.964728693	0.035271307	0.093021852

Appendix 13: Invitation Letter

Dear Sir/Madam,

INVITATION FOR A SURVEY STUDY

This is Sze Lok Samson Yeung, one of the doctoral students of London South Bank University in the Southwark, London, United Kingdom.

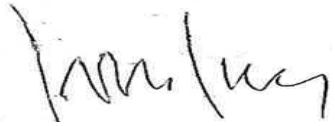
This study is being completed as a partial fulfilment of the requirements for the degree of **Doctor of Business Administration** at the University. I am working on my thesis, ***The Hong Kong Luxury Residential Market: Behavioural Aspects of Value-Perception Dimensions***, which investigates why **four effects** and **twelve perceived values** will lead a luxury property to be important. You are selected and identified as one of suitable people who can help to answer this survey. This thesis deals with buyers' preference and choices in Luxury Residential Property market by exploring factors that impact intentions to consider a purchase of this sort of properties, and to evaluate all relevance from the participants. The research question: ***To what extent do Functional, Interpersonal, Personal and Investing Effects influence property buyers to purchase luxury residential properties in Hong Kong?***

Your participation to this study will be highly appreciated. The data will be collected via anonymous survey, used in aggregate form, and assured of privacy and confidentiality. If accepted, please rate below questionnaire by providing 1 to 7. For details, you can find a Participant Information Sheet, which illustrates the background and the aim of the study. Before dealing with your answers, please see below points which are shown in the Consent form.

1. You have read all supplementary information sheet on the research. You have had the opportunity to consider the details of participation into the survey,
2. You understand that your personal involvement and personal data from this study will remain strictly confidential.
3. You have been informed about what the data collected will be used for, to whom it may be disclosed, and how long it will be retained and when the data will be destroyed,
4. You hereby fully and freely express my consent to participate in the study which has been fully explained to you. You also understand the content of each survey questionnaire.
5. You understand that you are free to withdraw from the study at any time without giving a reason.

Should you have any queries, please feel free to let me know. I look forward to seeing your participation.

Yours faithfully,



Sze Lok Samson Yeung

Appendix 14: Participant Information Sheet

Participant Information Sheet

The Hong Kong Luxury Residential Market: Behavioural Aspects of Value-Perception Dimensions

You are being invited to take part in a research study. Before you decide it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully. Talk to others about the study if you wish.

Ask us if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part.

Background of Study

As the society becomes more affluent, people pursue better quality of living. Hong Kong is one of the world financial hubs where the Government has adopted a high-land-cost policy to sustain the economy. However, shortage of land in Hong Kong is an obvious problem for creation of housing supply in such a high-populated city. It reinforces the high pecuniary value of properties.

Most of the Hong Kong developers merely concentrate on their selling points of "Extraordinary Location, Distinctive Architecture, Exclusive Lifestyle and Nurturing Environment". The obvious fact is that the shortage of supply reveals a rarity of luxury apartments in current market. Price itself seems to be a temporary luxury factor to represent the property value and to confer the power and status after the homebuyers possess the ownership. What will be the other missing values that motivate the sales of the type of this commodity? Are high property prices consonant with intrinsic perceived values to cater the homebuyers?

The aim of this study is to examine

A) Why are several effects (Functional, Interpersonal, Personal and Investing Effects) that emphasize the perceived values will lead a luxury property to be important.
B) How are value-perception dimensions on Consumers' propensities and buying intentions about this sort of properties?
C) What perceived values, motivations and beliefs regarding luxury residential properties are held by such cluster of homebuyers?
D) What are relative attitudes versus norms to behavioural aspects to purchase luxury residential properties in the context of Hong Kong market?

You have been chosen to be invited to participate in this study as you are one of the suitable respondents (Residents/Homebuyers/Home-seekers). In total, 200 people will be included in the study.

It is up to you to decide whether or not to take part. If you do, you will be given this information sheet to keep and be asked to sign a consent form. You are still free to withdraw anytime up to the submission of the thesis and without giving a reason. However, after that time, it would be impossible for the researcher to comply. A decision to withdraw, or a decision not to take part, will not affect the continuous study on this topic.

The Hong Kong Luxury Residential Market: Behavioural Aspects of Value-Perception Dimensions

It is not anticipated that you will be any disadvantage or suffer any risk form this study. If there is a chance of emotional upset due to the contents of survey questionnaire, you are free to withdraw from the participation anytime.

It is unlikely that you will gain any personal benefit from participating in this research. However, the information you share with the researcher can help the industry to tailor the want-satisfying properties to fulfil the demand in the Hong Kong residential market.

All information received from you will be handled in a confidential manner and stored in a locked filing cabinet and on a password protected computer in an environment locked when not occupied. Only the researcher and supervisor will have direct access to the information. Any reference to you will be anonymized by using a code number. This information will be held at least 5 years after the completion of this study until 31st August, 2021.

This study is being completed as part of a **Doctor of Business Administration** at London South Bank University. It has been reviewed and ethically approved by the London South bank University School of Business Research Ethics Panel.

If you have a concern about any aspect of this study, you should ask to speak with the researcher who will do their best to answer your questions (Mr. Sze Lok Samson YEUNG at 852-93598837 email: yeungs2@lsbu.ac.uk). If you wish any further information regarding this study or have any complaints about the way you have been dealt with during the study or other concerns you can contact: Dr. Dag Bennett at (44) 020 7815 6997, email: bennetd@lsbu.ac.uk or Dr. Charles Graham at (44) 020 7815 7755 email: grahamca@lsbu.ac.uk , who are the Academic Supervisors for this study. Finally, if you remain unhappy and wish to complain formally, you can contact the Chair of the University Research Ethics Panel (ethics@lsbu.ac.uk)

Appendix 15a – Informed Consent Form

WRITTEN CONSENT FORM: ***Participant Copy***

Title of Study: The Hong Kong Luxury Residential Market: Behavioural Aspects of Value-Perception Dimensions

(Please tick to consent)

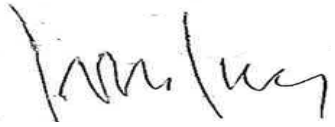
- I have read the attached information sheet on the research in which I have been asked and agree to participate and have been given a copy to keep. I have had the opportunity to discuss the details and ask questions about this information ☐
- The Researcher has verbally explained the nature and purpose of the research and I believe that I understand what is being proposed, and I am aware of the content in the Participant Information Sheet ☐
- I understand that my personal involvement and my particular data from this study will remain strictly confidential. Only researchers and supervisor involved in the study will have access ☐
- I have been informed about what the data collected will be used for, to whom it may be disclosed, and how long it will be retained ☐
- I have received satisfactory answers to all of my questions ☐
- I hereby fully and freely consent to participate in the study which has been fully explained to me ☐
- I understand that I am free to withdraw from the study at any time until the submission of thesis, without giving a reason. ☐

Participant's Name: (if convenient) ……..

Participant's Name: Signature ……..

As the Researcher responsible for this study I, Mr. Sze Lok Samson Yeung, confirm that I have explained to the participant named above the nature and purpose of the research to be undertaken.

Researcher's Name: **Sze Lok Samson YEUNG**



Researcher's Signature: ……..

…../Page 2 ***Participant Copy***

Title of Study: The Hong Kong Luxury Residential Market: Behavioural Aspects of Value-Perception Dimensions

There is a survey questionnaire which consists of 39 items to be answered

- I have been informed that the proposed study involves one stage of survey where some of the participants complete the a list questionnaire which has been explained to me, together with possible risks involved ☐

IF YOU ARE AT ALL CONCERNED ABOUT THIS RESEARCH STUDY, PLEASE CONTACT:

Mr. Sze Lok Samson Yeung

Tel. No. (852) 93598837

Email: yeungs2@lsbu.ac.uk

If you wish to speak to someone not directly related to the research, please contact the Chair, London South Bank University Research Ethics Panel (ethics@lsbu.ac.uk) or should you have any queries about the study or other concerns, please feel free to contact Dr. Dag. Bennett at telephone number 44 (0) 20 7815 6997 or email (bennetd@lsbu.ac.uk) or Dr. Charles Graham at telephone number 44 (0) 20 7815 7755 or email (grahamca@lsbu.ac.uk), who are my Academic Supervisors for this study.

Appendix 15b – Informed Consent Form

WRITTEN CONSENT FORM: ***Researcher Copy***

Title of Study: The Hong Kong Luxury Residential Market: Behavioural Aspects of Value-Perception Dimensions

(Please tick to consent)

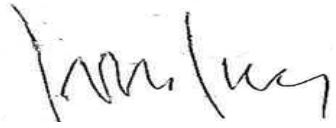
- I have read the attached information sheet on the research in which I have been asked and agree to participate and have been given a copy to keep. I have had the opportunity to discuss the details and ask questions about this information ☐
- The Researcher has verbally explained the nature and purpose of the research and I believe that I understand what is being proposed, and I am aware of the content in the Participant Information Sheet ☐
- I understand that my personal involvement and my particular data from this study will remain strictly confidential. Only researchers and supervisor involved in the study will have access ☐
- I have been informed about what the data collected will be used for, to whom it may be disclosed, and how long it will be retained ☐
- I have received satisfactory answers to all of my questions ☐
- I hereby fully and freely consent to participate in the study which has been fully explained to me ☐
- I understand that I am free to withdraw from the study at any time until the submission of thesis, without giving a reason ☐

Participant's Name: (if convenient) ……..

Participant's Name: Signature ……..

As the Researcher responsible for this study I, Mr. Sze Lok Samson Yeung, confirm that I have explained to the participant named above the nature and purpose of the research to be undertaken.

Researcher's Name: **Sze Lok Samson YEUNG**



Researcher's Signature: ……..

…../Page 2 ***Researcher Copy***

Title of Study: The Hong Kong Luxury Residential Market: Behavioural Aspects of Value-Perception Dimensions

There is a survey questionnaire which consists of 39 items to be answered

- I have been informed that the proposed study involves one stage of survey where some of the participants complete the a list questionnaire which has been explained to me, together with possible risks involved ☐

IF YOU ARE AT ALL CONCERNED ABOUT THIS RESEARCH STUDY, PLEASE CONTACT:

Mr. Sze Lok Samson Yeung

Tel. No. (852) 93598837

Email: yeungs2@lsbu.ac.uk

If you wish to speak to someone not directly related to the research, please contact the Chair, London South Bank University Research Ethics Panel (ethics@lsbu.ac.uk) or should you have any queries about the study or other concerns, please feel free to contact Dr. Dag. Bennett at telephone number 44 (0) 20 7815 6997 or email (bennetd@lsbu.ac.uk) or Dr. Charles Graham at telephone number 44 (0) 20 7815 7755 or email (grahamca@lsbu.ac.uk), who are my Academic Supervisors for this study.

Appendix: 16 Survey Questionnaire (Page 1)

Survey Questionnaire

Title of Research

Hong Kong Luxury Residential Market: Behavioural Aspects of Value-Perception Dimensions

This survey questionnaire investigates why four effects and twelve perceived values will lead a luxury property to be important. You are selected and identified as one of the suitable person who can help to answer this survey.

This thesis deals with buyers' preference and choices in Luxury Residential Property market by exploring factors that impact intentions to consider a purchase of this sort of properties, and to evaluate all relevance from the participants.

This will only spend you 10-15 minutes to complete the questionnaire. The data will be collected via anonymous survey, used in aggregate form, and assured of privacy and confidentiality.

Survey Questionnaire (Demographic Information)

Gender	Male ___ Female ___
Nationality	Hong Kong _____ Others (Please Specify) _____
Household Income	HK$40,000 – HK$60,000 _____ HK$60,001 – HK$80,000 _____ HK$80,001 – HK$120,000 _____ HK$120,001 or above _____
Education	Primary ___ Secondary ____ Undergraduate ____ Postgraduate ____
Position	Managerial Position _____ Professional _____ Self-Owner _____ Other _____
Industry	Manufacturing _____ Exporting _____ Finance _____ Civil Servant ____ Professional _____ Others (Please Specify) _____
District you live in	Hong Kong Island _____ Kowloon _____ New Territories _____
Marital Status	Single ____ Married _____ Divorce _____
No. Of Children	1 – 2 ____ 3 + _____ Nil _____

Do you

☐ Own or

☐ Rent or

☐ Lease Property?

Will you look for property in coming 24 months?

◉ Yes ○ No

[Please circle either choice]

Survey Questionnaire (Survey Instrumentation)

Explanation of Rating Scale

The Likert Type Scale represents two response anchors to plug in this study, and the most negative response is given a numerical value of 1, whilst the most positive response has a numerical value of 7. Here are the implications for each level of numerical value. Please select the appropriate numbers for item # 1 to item # 39

Survey Questionnaire

Level of Importance

1	2	3	4	5	6	7
Not at All Important	Low Important	Slightly Important	Neutral	Moderately Important	Very Important	Extremely Important

Level of Agreement

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree

FUNCTIONAL EFFECTS

A. Perceived Brand Value	
1. I like to know what luxury brands and products make good impressions on others.	1 2 3 4 5 6 7
2. To me, my friends' perceptions of different luxury brands or products are important.	1 2 3 4 5 6 7
3. It is important to know what others think of people who use certain luxury brands or properties.	1 2 3 4 5 6 7

B. Perceived Beauty Value	
4. I usually keep up with style changes by watching what others buy.	1 2 3 4 5 6 7
5. I actively avoid using properties that are not in style.	1 2 3 4 5 6 7
6. Luxuries are fashionable.	1 2 3 4 5 6 7

C. Perceived Utility Value	
7. The superior product quality is my major reason for buying a luxury property.	1 2 3 4 5 6 7
8. I place emphasis on quality assurance over prestige when considering the purchase of a luxury property.	1 2 3 4 5 6 7
9. I am inclined to evaluate the substantive attributes and performance of a luxury property rather than listening to the opinions of others.	1 2 3 4 5 6 7

INTERPERSONAL EFFECTS

A. Perceived Conspicuous Value	
10. Owning luxury property indicates a symbol of achievement.	1 2 3 4 5 6 7
11. Owning luxury property indicates a symbol of wealth.	1 2 3 4 5 6 7
12. Owning luxury property indicates a symbol of prestige.	1 2 3 4 5 6 7

B. Perceived Unique Value	
13. Luxury properties are inevitably very expensive.	1 2 3 4 5 6 7
14. Few people own a true luxury property.	1 2 3 4 5 6 7
15. Truly luxury properties cannot be mass-produced.	1 2 3 4 5 6 7

C. Perceived Social Value	
16. I buy luxury property just because it has status.	1 2 3 4 5 6 7
17. Luxury property is important to me because they make me feel that acceptable in my work circle	1 2 3 4 5 6 7
18. I purchase luxury property to gain/increase social status.	1 2 3 4 5 6 7

PERSONAL EFFECTS

D. Perceived Personal Trait Value	
19. Purchasing luxury property increases my happiness.	1 2 3 4 5 6 7
20. It is important to me to own really nice luxury property.	1 2 3 4 5 6 7
21. My life would be better if I owned certain things I don't have.	1 2 3 4 5 6 7

E. Perceived Emotional Value	
22. While living in luxury property, I feel the excitement of the hunt.	1 2 3 4 5 6 7
23. When living in luxury property, I am able to forget my problems.	1 2 3 4 5 6 7
24. When in a bad mood, living in luxury property enhances my mood.	1 2 3 4 5 6 7

F. Perceived Quality Value	
25. I believe luxury property is of superior quality.	1 2 3 4 5 6 7
26. In my mind, the higher price charged by luxury goods indicate higher quality.	1 2 3 4 5 6 7
27. I always have to pay a bit more for the best.	1 2 3 4 5 6 7

INVESTING EFFECTS

A. Perceived Locational Value	
28. I often consult other people to help choose the location to invest in.	1 2 3 4 5 6 7
29. To make sure I buy the right location, I often observe what other investors invest in.	1 2 3 4 5 6 7
30. The typical property owner in this location reflects the type of person I would like to be.	1 2 3 4 5 6 7

B. Perceived Compounding Value	
31. I invest because I like to participate in investment.	1 2 3 4 5 6 7
32. I like to know what investment decisions make good impressions on others.	1 2 3 4 5 6 7
33. An investment in a property will lead me to a gain because it will fit well with my self-concept	1 2 3 4 5 6 7

C. Perceived Eternal Value	
34. I frequently gather information about (the type) of property from my family before I invest in.	1 2 3 4 5 6 7
35. I achieve a sense of belonging by purchasing the same type of property.	1 2 3 4 5 6 7
36. Luxury properties are long-lasting.	1 2 3 4 5 6 7

PURCHASE INTENTION

37. I will purchase a property with consideration of above components.	1 2 3 4 5 6 7
38. I will try to purchase a property with consideration of above components.	1 2 3 4 5 6 7
39. I plan to purchase a property with consideration of above components.	1 2 3 4 5 6 7

Thank you for your time and participation. Please return this copy together with the Consent Form (if possible)

Appendix 17: The Time Consumption for Pilot Study, Data Collection and Analysis, and Thesis Write Up

Phase	Procedures and Task	Duration
Pilot Study	- Selection for small scale of respondents - Evaluation of appropriate content of Survey Questionnaire - Modification of Survey Questionnaire (if required) - Reconfirmation for Approval Status of Survey Questionnaire - Survey Test to small scale of respondents - Examination for reliability and Validity - Further correction (when necessary) - Implementation for Pilot Study - Discussion with Local and LSBU Supervisors for further advice	2-Week
Quantitative Data Collection and Data Analysis	- Collection of Survey Data for Quantitative Analysis - Analysis of the Statistical Data - Comparison of the Findings with the content of Literature - Double Check with all Explanatory Results - Consultation with Local and LSBU Supervisors	12-Week
The Write-Up	- Refinement of Introduction, Literature review and Methodology - Drafting the part of Quantitative area - Drafting the part of Discussion and Implication - Drafting the part of Research Limitation - Suggestion for the Future Research Plan - A Craft of the Conclusion - Consultation with Local and LSBU Supervisors - Final Audit Job - Submission of the Draft of Thesis - Submission of the thesis	12-Week

Appendix:18 showing the Approval of Research Proposal

London South Bank University

Central Research Support
Research Degrees Administration
103 Borough Road
London SE1 0AA
T: 020 7815 6911
F: 020 7815 6959
www.lsbu.ac.uk

Professor Nicola Crichton
Pro Dean Research, School of Health & Social Care
Chair of Economic & Social Research Sub-Committee
T: 020 7815 6742
F: 020 7815 8490
Email: crichtnj@lsbu.ac.uk

15 December 2014

Mr S L Yeung
[redacted]
Pokfulam
HONG KONG

Dear Samson

Registration of your Research Proposal

The application to register your research proposal was reviewed by ESR sub-committee at its meeting on 3 November 2014 and was approved.

The Committee recommend ensuring that all parties purchasing the home are included in the study to ensure you gain all the perspectives of why the buyers are purchasing that particular accommodation.

The next forms due for submission is either the RES 3B 1st Progress Report or the RES 4 Annual Report this will be submitted to the School of Business for review.

Best wishes

Nicola Crichton

Professor Nicola Crichton, Chair
Economics and Social Research Sub-Committee

Cc: Prof J Warwick
Prof S Patel
Mr H Prada (on behalf of J.Harper)

London South Bank University is a charity and a company limited by guarantee. Registered in England no. 986761. Registered office: 103 Borough Road London SE1 0AA

Appendix: 19 showing an Ethical Approval from University Ethics Panel

London South Bank University
EST 1892

E-mail: ethics@lsbu.ac.uk
UEP Ref No: **UREC 1630**

7th September 2016

Dear Samson Yeung,

RE: 'Behavioural Aspects and Value-Perception Dimensions in Hong Kong Luxury Residential Market.'

Thank you for submitting this proposal and for your responses to the reviewers' comments.

I am pleased to inform you that full Approval has been given by Professor Shushma Patel on behalf of the LSBU University Ethics Panel.

I wish you every success with your research.

Yours sincerely,

Ms. O. Imonioro
Compliance and Systems Manager – on behalf the LSBU University Ethics Panel

cc:
Prof Shushma Patel, Chair, LSBU University Ethics Panel

London South Bank University is an exempt charity and a company limited by guarantee. Registered in England no. 986761. Registered Office: 103 Borough Road, London SE1 0AA.