

Integrating of green Environment in modern Property Market

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ARTICLEDETAILS	ABSTRACTS
<p>History <i>Received</i> : <i>Augstus</i> <i>RevisedFormat</i> : <i>September</i> <i>Accepted</i> : <i>Oktober</i></p> <hr/> <p>Keywords : Impact of environmental facilities, Demand & Value of the property, Property marketing and success.</p>	<p>The property demand and value habitually based on environmental facilities at the surrounding of the apartment complex. Among the educated and average income group of people having a high request for that housing existing a natural green environment, entertainment environment and health & safety environment. Most of them gives the priority on environmental facilities instead of price as a consequence the property demand and value rise simultaneously. Malaysian condominium developers can attract the target customers to achieve the target sales by green marketing with strategic advertising. Currently, many developers are practising to add the environmental elements in their marketing strategy. As a consequence, the foreign investment is increasing in the housing industries, and the developer's business is becoming successful field not only Malaysia but also Singapore, Australia, UAE and so one.</p>

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INTRODUCTION

Previously the majority of the developers are unable to achieve the target goals due to the lack of attractive natural environmental elements. Even, the modern housing developers also cannot achieve the target sales for target profit margin within the specific time frame due to the lack of practicing incorporate of environmental elements in strategic marketing (A Hamid & M Iman, 2012). Most of the modern educated, high, and mid-level income group of people are looking internal and external natural environmental facilities, which can lead customers to drown choices to buy the property (Bendre et al., 2000).

Every modern developer wants to achieve the target goal in the specific period. It will able to achieve when the developer shall apply the environmental element as such environmental location of project, external design of project and layout, management services, entertainment facilities like playground, swimming pool, tennis court, squash court, gymnasium, natural viewpoint, care park, parkland, security, etc (Chua, 1988; Wong, 2001; Chau et al., 2002; Chau et al., 2004) in marketing strategy like product, price, place and promotion the both environmental and strategic marketing elements are match as an outcome is high performance. The success theory shows the high-performance lead to achieving the

target sales and the target sales bring the target profit margin in the specific time frame (Klaus G. Grunert C. Ellegaard 1992).

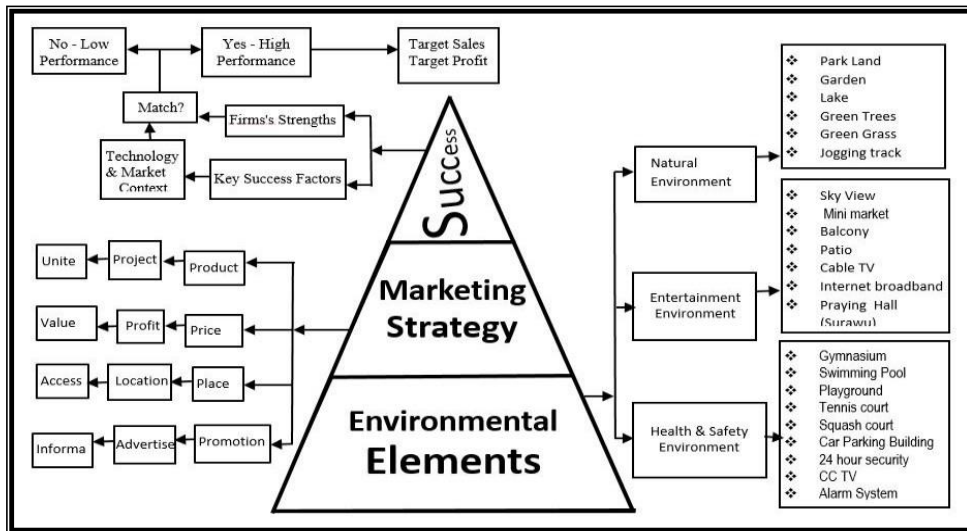


Figure:1 Theoretical Framework.

The main principle of this study is to identify the key success factors that can contribute to achieving the target goals for modern developers from the challenging property market. The environmental element is one of the most important key fact to achieve the target sales to success the target profit margin. The marketing strategy is the mediator to build-up a strong relationship between environmental elements and the modern developer's success. Therefore, the marketing strategy is the mediator of key fact for success. The target profit margin is the outcome variable, which is complete, depend on environmental elements. In Hence, the environmental elements are the independent variable for the target sales and profit that is considered as a success of modern developer (Reuben M. Baron & David A. Kenny 1986).



Figure 1.1 Independent variable Mediator and dependent variable.

Source: (Reuben M. Baron & David A. Kenny 1986).

The environmental element in the property is the main key to success, and the marketing strategy is the mediator to reach the target point because the marketing strategy theory talks about the developer's and the customer's point of view.

Environmental element in project and the Impact on Success

There are many impacts on housing apartment business due to the incorporate of natural environmental elements such as green trees, grass, swimming pool, sky view, security, etc. Most of the foreign buyers are looking for a better lifestyle with the better environmental element at the condominium complex. As a result, the 30% foreign and 70% local buyer buy the units (Eric Ooi 2012).



Figure 2. Environmental element and impact on sales.

Source: (Eric Ooi 2012).

Lack of Environmental element in project and the Impact on Target Sales

The housing industry facing difficulties to influence the target customers due to the lack of green environmental elements in housing project and marketing strategy is one of the greater problem to achieve the high performance of sells (Muhammad et, al., 2013; Eric 2012; Anne 2003; Elforgani & Rahmat 2011; Ezanee et, al., 2013). The issue is lacking environmental elements at the surrounding of condominium complex as concern the project is mislaying the high demand as a direct impact on poor sales. Table 1.3 explain many researchers found there is a lot of unkind impact on property business when the environmental elements are absence at the condominium complex.

Table: 2.1 Absence of Environmental Elements at Housing Project and it's Impact

Authors	Year	Natural Environment	Entertainment Element	Health & Safety	Project Location	Impact on Sales
Khairil, et, al.,	2008	Environmental Beauty		Car Park		Less Demand
Eric	2012	Green Environment	Swimming Pool	Security	Less Accessible	Less Buyers
Abdul & Iman	2012			Security	Non-Popular	Poor Sales
Mitchell	2012	No Natural Environment	No Playground	No Security		No Human Activity
Mariana	2008	No Green Environment	No Playground		Less Important	Lower Income Group
Muhammad et, al,	2013	No Natural Environment			Non-Green Area	Air, Water & Sound Pollution
Ezanee et, al.,	2013	Natural Environment		Security		Global Warming
U.S Consumer Commission	2010		Perfect Size Playground			Children Suffering
Seetharam & Yuen	2010	Green Trees And Grass	Playground			Physical and Mental Illness

Similarly, lacking environmental elements in property marketing strategy as a concern on product, price, location and promotional activities are not perfect as a direct impact on poor sales.

Lack of an environmental element in strategic marketing and the Impact on Target Sales

The below table explain several researchers established there is the much unkind impact on property business when the environmental elements are absence in marketing strategy.

Authors	Year	Product	Price	Place / Location	Promotion	Impact on Sales
Elforqan & Rahmat	2011	Minimum Green	High	Not Settable For Reside	No Discount Price	Less Buyer
Said	2008	Environmental sustainability		Accessibility	No Green Advertising	Less Sales
Abdul et, al.,	2012		Expensive	Non-Popular		Poor Sales
Ezanee et, al.,	2013	No Environmental Quality	Resalable Price		Promotional Price	No, / Less Profit
Laurie	2008	Natural Beauty		Noise Location		Less Buyer
Anirban	2012	No Green Product		Warming		Slow Sales Activities
John	2008		Hedonic	Urban Location		Less Clients
Anne	2013	Less Green Product (House)			No Promotional Price	Less Choose

Table: 2.2 Absence of Environmental Element in Marketing Strategy and it's Impact

The problems occur when the environmental elements are absence in both housing complex and marketing strategy. As a result, the apartment complex is not high demand among the wise learnt people, high-level, mid-level income group and foreign people (Khairil, et, al., 2008; Eric 2012; Abdul & Iman 2012; Bender 2012).

The direct impact on property business such as, difficulty to meet the target sales, less demand among target customers, and less or no profit due to less number of sales activity. As a result, the property business in great danger and the people in the city will live in a harmful environment (Muhammad et, al, 2013; Anirban 2012). Therefore, the healthy environment is absolutely essential to integrate the natural green environmental elements, entertainment facilities and health and safety elements in the housing project and property marketing strategy to achieve a sustainable property business and green city.

Property Valuation Theory

The property in the city area completely depends on the urban land theory based on Position, Location, Area, Surrounding, and Environment. The urban land theory evaluates the property position, location, area of the city, the total surrounding of the property and environment of the property all the things make the property more or less demand upon the customers (Irving Fisher.1892; Richard Cantillon 1730; John William & Webster Lawson 2008).

The property valuing on environmental elements are non-market goods. It is situated on the surrounding the housing complex that can only increase the environmental

quality. The environmental quality again increases the demand of housing complex that influences customer to buy. The housing developer practice the Hedonic Theory to develop the property pricing and the price bring the profit. This consequence of environmental elements involved in the condominium complex must increase the sales based on target, even more, when to exist the quality of environmental elements (Raymond B. Palmquist 2003).

Health and Safety Environment Elements

Currently, the health and safety at the residence are one of the most significant demand of the customers. The modern developers incorporate the security system at the condominium complex for health and safety for the residence. Such as Gymnasium, Swimming Pool, Playground, Tennis court, Squash court, Car Parking Building, 24-hour security, CC TV, Alarm System, Smoke detector and so on. All this health and safety environmental element are using for attracting the target customer to achieve the target sales and reach the target profit margin (A. Hamid 2012).

Entertainment Environmental Element

Entertainment environmental element at the condominium complex is currently existed and may high and mid-level income group people are more attractive for the entertainment facilities such as Sky View, Mini market, Balcony, Patio, Cable TV, Internet broadband, Praying Hall (Surawu) and so on. Even these are the basic demand of the customer. Each element having the strong relation with the marketing strategy to magnify the customers to achieve the target sale (Chua, 1988; Wong, 2001; Chau et al., 2002; Chau et al., 2004).

Natural Environmental Elements

The natural environmental elements consider as the environment with nature, for example, Park Land, Garden, Lake, Green Trees, Green Grass, Jogging track and so on. Most of the real estate expert are agreed to incorporate of the natural environmental element at the condominium compound can magnify the target customer to full fill the target sales. It not only create the beauty of condominium complex but also can keep the cool the surrounding for a peaceful life. One the other hand non-existing of the natural environmental element the condominium complex must be warm and modern people will not interested to reside this types of housing complex (B, Yuen 2010; Eric Ooi 2012; A, Hamid 2012; N G T Policy 2012; T.K. Sin 2010; K,W, Awang 2008; T, Prato 2011).

High demand of natural environmental elements among condominium user in Kuala Lumpur.

In the year 2015, the majority of condominium developers in Kuala Lumpur are developing the condominium complex based on customers demand in natural, entertainment and health & safety environmental elements achieve the target sales within the specific time frame.

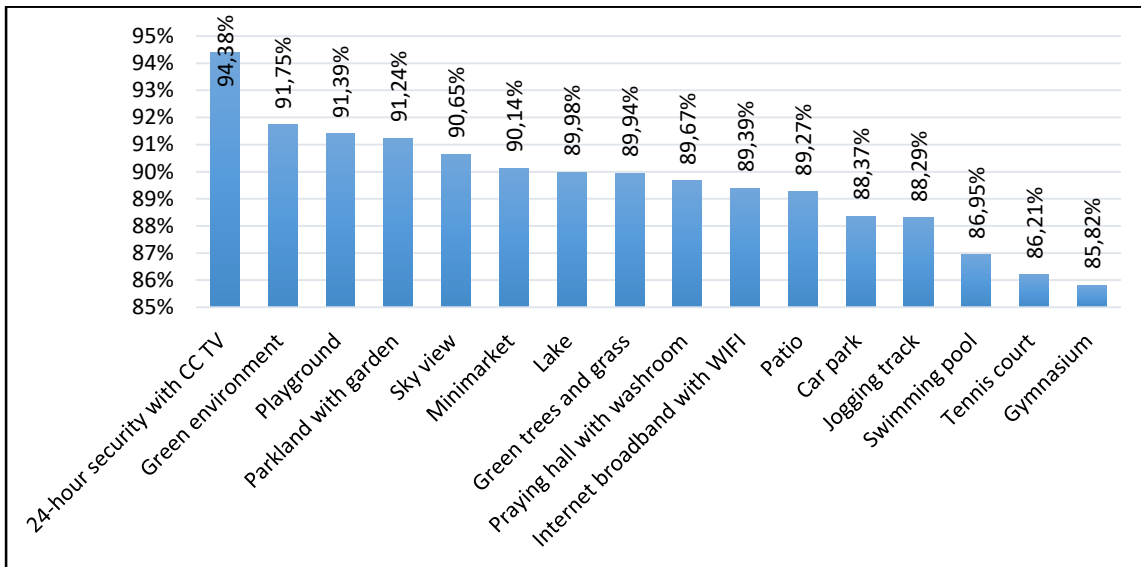


Figure 4. Most significant environmental elements at condominium complex in Kuala Lumpur.

Source: (Dr. Seow Ta Wee & M. A, Ullah 2015).

Marketing Strategy and Impact on Target Sales

Each condominium project is having the target sales to reach the target profit margin. The modern developers are practicing the pre-launch and post-launch advertisement. It means before complete the project developer setup early price for booking one the other hand after carrying out the project the developer set a current price that is more expensive than the early or booking price. This types of advertising known as promotional price to get customer early to achieve the target sale and target goals within a the time frame (M. B. Tilford 2009; Yuriy Moyseyenko 2012; T.H. Tan 2011).

Property Marketing Theory

The property marketing is unique from other types of good in the market because it is a fundamental need of everyone and expensive on the level of choose and facilities. According to SIVA marketing theory the property marketing strategy having 4Ps with two views the first view from the developers and another view from the customer or tenant.

The marketing 4Ps in the supplier and customer side model (Y. Moyseyenko 2012).

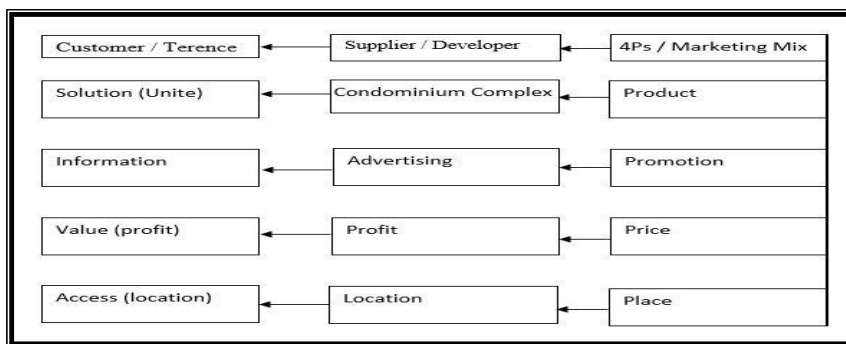


Table: 5.1 Siva Marketing Model.

Source: (Y. Moyseyenko 2012)

Solution: The solution is based on customers problem/need in this situation the solution is the house or unit that need for customers and the developer solve the problems by creating an apartment complex (Y. Moyseyenko 2012; R. Goran, S. Pike & L. Ferstrom 2005).

Information: Does the customer knows about the solution / apartment complex to let them know about the product the supplier or Developer use the promotional activities advertising using medias such as TV, Radio, Newspapers and so on (Y. Moyseyenko 2012; R. Goran, S. Pike & L. Ferstrom 2005).

Value: The value for the customer is the price that can transfer the ownership, the developer set up the price with the value of cost and profit that is the total value of the product or unit (Y. Moyseyenko 2012; R. Goran, S. Pike & L. Ferstrom 2005).

Access: the customer finds the accessibility of the solution it means the location of the property he/she can access by transportation, road, or other facilities that can make easy to access the housing complex. Therefore, the developers buy the land with a good location that is more demandable for customer (Y. Moyseyenko 2012; R. Goran, S. Pike & L. Ferstrom 2005).

SUCCESS THEORY

The success of housing project is an outcome of environmental elements in strategic marketing. The marketing strategy influences the target customers through showing environmental element at the housing complex and beauty of apartment project and other environmental facilities. Such as environmental location of project, external design of project and layout, management services, health and safety facilities like playground, swimming pool, tennis court, squash court, gymnasium, natural viewpoint, care park, parkland, security, 24 hours CC TV, Smock detectors, security alarm systems etc (Chua, 1988; Wong, 2001; Chau et al., 2002; Chau et al., 2004) combine in promotional activities for example advertising, with print media, electronic media, offer sales, online advertising, catalogue, brochure and other activities are strongly matched to influence target customers as an outcome is target sales and the target sales can bring the target sales . As a result target profit or more, which in consider as the success of the project (K. G. Grunert & C. Ellegaard 1992).

The modern developers must invest a big portion of natural green environmental facilities not only for the beauty of property but also create a basic necessity of healthy environment at an apartment complex. As a consequence, the modern educated, high and mid-level income group of people must pay the attention to beauty and healthy environment, the developers will get the target customers to sales the property to achieve the target profit within the time frame. For instance Central Residences project in Kuala Lumpur Central, Icon Residence, Mont Kiara and G Residence, Desa Pandan Central project are the successful project in Kuala Lumpur because after launching the project within two (2) to three (3) month 80% unit sold (O. Eric 2012).

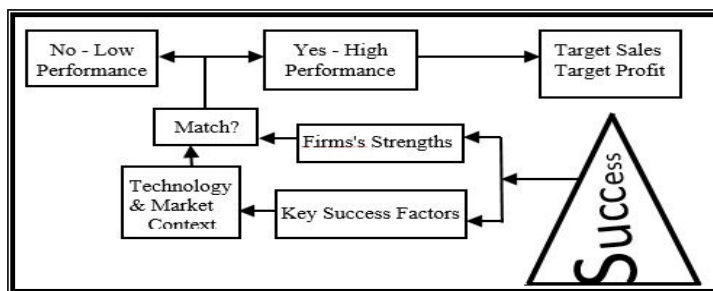


Figure: 7. Success Theory.

Source: (S Vasconcellos & Hambrick, 1989; K. G. Grunert 1992).

The customer satisfaction is one of the most important parts to get a successful property business in a long run. The previous research proved once the customers are highly satisfied with the product and services. As a result, the housing business must affect positively. The customer satisfaction builds up an image for developers among the existing and potential customers to establish a sustainable property business in the modern property market. Currently in Malaysia many housing developers are practicing to show customers green environmental facilities and satisfaction based on demand. Jim Blythe and Peter Reed (2005), mentioned supply on demand can create a sustainable any business. So, the housing property can be a sustainable business in the modern property market based on customers demand and satisfaction (Miller, N.G. and Markosyan, S, 2003; Tom Kauko, 2010; Kotler, Philip 2003; M.A Ullah and S.T Wee2014).

Can a natural environmental element in strategic marketing provide a sustainable housing property business security system for long terms in the modern world. The modern world is the world of educated and high / mid level income group of people at any part of the globe. The natural environmental elements can create a strategic marketing not only for housing but also land property in the modern property business market. Such as most of the famous condominiums in Kuala Lumpur, they created a natural environment to obtain the rich and educated people who have the luxury choose to be an owner of this housing property. As a result, of the natural environment is successfully got the targeted customers to succeed the property business in the property market. It has to be mention that, the surrounding of housing with the natural environment is more expensive than the surrounding of housing without the natural environment. So, the natural environmental element is the key of succeeding in the property business, and we may illustrate that the natural environmental elements can create a successful strategic marketing for the sustainable housing property business security system (Tom Kauko, 2010; M.A Ullah and S.T Wee2014).

The strategic marketing policies and processes of sale a product to the target customer and satisfaction are an art of strategic marketing in relation to building a positive image of an organization to achieved the target goals with a long-term business. Normally the long term business having sustainability in the market and the sustainable business is totally based on strategic marketing policy. In a property market, the natural green environmental elements are playing an important proactive role for a sustainable property business (Anne Frej 2003; M.A Ullah and S.T Wee 2014).

The property business will be a sustainable business when the developers will able to meet the customers requirement such as living place acre location, design and layout, type of unit, building size, the number of bedrooms, amenities, environmental facilities, swimming pool, sky view, density, developer's reputation, promotional effort, reasonable price, security, and convenience (Chua,1988; Hasmah and Ariffian, 2000; Wong, 2001; M.A Ullah and S.T Wee 2014; Chau *et al*, 2002; Chau *et al*, 2004).

The environmental elements in marketing strategy to magnify target customer to achieve the target profit within the specific time and to create a potential customer for long run housing business. It is extremely necessary for existing and future developers to get a sustainable housing business. In these circumstances, the existing developers have to practice environmental elements in marketing strategy to find the new customers to achieve the goals in the property market. Therefore, the strategic marketing elements will show it magnifies the existing and potential customers from the market. The critical research and development on strategic marketing elements are the important explanation of the factors such as Product, Price, Place and Promotion of the property business (Jim Blythe & Peter Reed 2005; M.A Ullah and S.T Wee 2014).

CONCLUSION

In conclusion, it is much cleared that the natural green environmental element is one of the most important keys in strategic marketing to attract the target customer into the property business in the modern property market to reach the success point on time. The strategic marketing plan with green environment works together to achieve the business goals within the timeline with the product, price, place and promotional activities based on demand technique among the target customers. The natural green environmental element is helping people each and every moment to keep cooling the human mind and body function. So, the natural environment is not only luxury and beauty but also very much essential for everyone to get a healthy life at the same times the modern developer got the great chance to use the green environmental element to get the target sale. The target sales can bring the target profit margin for the housing project consider as a successful project (Karna, J. 2003; Bennett. R and Barkentine A. 2005; Giese, J. L., & Cote, J. A. 2002; Miller, N.G. and Markosyan, S, 2003).

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