

Buyers' Perception of the Marketing Mix of Luxury High-Rise Residence (LHR) in Kuala Lumpur's Golden Triangle (KLGT)

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Abstract

In Malaysia, luxury high-rise residence (LHR) is a residential sub-sector that is popular among developers due to its perceived high profit margin, especially for limited development land in the city centre. In a housing market characterised by substantial overhang in the luxury segment, an examination of the marketing mix of LHR is timely to enable informed decision by developers. Using Kuala Lumpur's Golden Triangle (KLGT) as the study area, this study examines buyers' perception of the 4Ps of marketing - Product, Price, Place and Promotion - of LHR in KLG. Based on a quantitative approach, a questionnaire survey was conducted on 180 respondents comprising existing LHR owners in KLG. We found that because the majority of the respondents purchased LHR for investment and own stay purposes, the property elements of LHR were deemed more important than its luxury elements, as reflected in the ranking of the 4Ps attributes. Place was ranked as the most important marketing factor by the respondents, followed by Price, Product and Promotion. This study improves understanding of the 4Ps of marketing for LHR in KLG whereby property developers should place more weightage on the location and neighbourhood of the LHR rather than relying on pricing and promotional strategies.

Keywords: Marketing Mix, Luxury High-Rise Residence (LHR), Kuala Lumpur's Golden Triangle (KLGT)

1.0 INTRODUCTION

In Malaysia, the shortage of land, particularly in major cities such as Kuala Lumpur, Johor Bahru and Georgetown together with a substantial increase in population, has prompted the growth and evolution of high-rise residential development (Mar Iman et al., 2008). As buyers become more sophisticated and discerning (Yong, 2006; Zarin, 1995), it is observed that developers have recently incorporated luxury elements in high-rise residential development to cater for the high-income population segment. There is no fixed definition of luxury high-rise residence or LHR in Malaysian context. Instead, developers use their own interpretation of the residential type. For the purpose of this paper, LHR is defined as a multi-storey residence that is priced above RM800 per square foot, usually located in the city centre with seamless connectivity to all urban and suburban areas, developed by well-reputed or branded developer and consultants and featuring lifestyle-oriented facilities (i.e. swimming pools, gymnasium, Jacuzzi, tennis court and multi-purpose hall), top-notch security service and doorstep convenience. These enhanced living and building features become the main marketing points for LHR and what set it apart from conventional high-rise residential developments. Among the earliest LHRs are The Troika at Persiaran KLCC that was completed in 2012, together with more recent schemes such as Banyan Tree Signatures Pavilion KL, Pavilion Suites KL, The Mews, Mirage Residence KL, Star Residences, 8 Conlay, Four Seasons Private Residences, Tribeca and Le Nouvel all located within the Kuala Lumpur city centre.

Nonetheless, the Malaysian residential market has experienced a downturn in recent years, resulting in a worrying trend of property overhang. In Malaysia, property overhang is officially

defined as properties which are completed and issued with Certificate of Competition and Compliance (CCC) but remained unsold for more than three quarters after it was launched for sale on or after 1st of January 1997 (NAPIC, 2015). Kuala Lumpur, together with Johor, Penang and Selangor, regularly contributed to the residential property overhang in recent years. LHR forms a substantial component of the residential property overhang; in Q1 2019, residential units priced above RM1million formed approximately 13% of the total number of overhang units (4,331 units of 32,936 units) or 43.78% of the total value (RM8,741.32 million of RM19,964.20 million) as reported by the Valuation and Property Services Department (JPPH, 2019). This indicates a serious and worrying trend of overhang in the luxury residence segment.

Despite the overhang issue, there is a noticeable lack of literature on the LHR which give rise to the following questions: Q1) Who are the current owners of LHR in Kuala Lumpur, which is one of the most important LHR markets in the country? Q2) What are the current characteristics of LHR in Kuala Lumpur? Q3) How did the 4Ps of marketing - Product, Price, Place and Promotion – fare in LHR in Kuala Lumpur? Q1 and Q2 will reveal the target market and product whereas Q3 will reveal the marketing mix that may be used to reduce the overhang in the LHR segment. A review of Malaysian housing literature reveals that most housing studies have concentrated on the production and post-occupation aspects of housing, for instance low-cost housing and affordable housing delivery system (see for instance Hamzah & Murphy, 2014; Wan Abd Aziz, 2006; Wan Abd Aziz et al., 2007; Wan Abd Aziz et al., 2010), the housing comfort of low-income occupants (Abdul Karim, 2008; Hashim et al., 2006) and housing satisfaction (Abdul Mohit et al., 2010; Tan, 2012). There has been very limited study on marketing in the housing market, particularly pertaining to LHR. It is argued that the understanding of marketing mix can help to reduce the number of LHR overhang in Kuala Lumpur as developers can better target and market their products to attract buyers.

Marketing approaches have evolved beyond the 4Ps; currently, there are the 7Ps and 4Cs, all argued to be superior in terms of marketing efforts. However, this paper only examines the traditional marketing mix used in previous property studies. As such, this paper aims to examine buyers' perception of the 4Ps of marketing - Product, Price, Place and Promotion – of LHR in KLGT. In the next section, a literature review on LHR demand and the 4Ps of marketing will be undertaken with the objective of providing the conceptual framework for this paper. This will be followed by a brief context section that provides important information on the study area. Next, the methodology used in this paper will be presented, followed by results and discussion. The conclusion section will summarise on the 4Ps that should be focused on by developers.

2.0 LITERATURE REVIEW

2.1 Unpacking the demand for luxury high-rise residence (LHR)

For the last three decades, researchers from various disciplines have been involved in conceptualising luxury. Although seemingly basic, the unpacking of the meaning of luxury can explain why some house buyers are willing to sacrifice huge sums of money for a product that can easily be replaced with a cheaper alternative. Although the definition of luxury is very subjective (Geerts & Veg-Sala, 2011), scholars across all disciplines such as economics, economic psychology, sociology or socio-economic research, psychology and marketing have offered their insights, further shedding light on the buyers' purchase decision of luxury goods and services (Kastanakis, 2010). Within the luxury dimension, sociological studies suggest that prestige and social interaction play vital roles in consumer opinions and cultural capital (Bourdieu, 1984; Campbell, 1995; Chaudhuri & Majumdar, 2006; Hilton, 2004; Rojek, 2000; Trigg, 2001). Psychological research further explored the sociological research by studying on how character and self-identity influence consumership (Braun & Wicklund, 1989; Brinberg & Plimpton, 1986; Gould & Barak, 1988; Kwan et al., 2004; Markus & Kitayama, 1991; Netemeyer et al., 1995; Singelis, 1994; Tian et al., 2001; Tian & McKenzie, 2001; Triandis, 1989) whilst epicureanism is a supplemental factor in acquisition of premium good, as

shown by buyer behaviour analyses (Dubois & Duquesne, 1993; Holbrook & Hirschman, 1982; Vigneron & Johnson, 1999).

The distinction between luxury goods and non-luxury goods can be based on three classic dimensions which are functional, experiential and symbolic dimensions (Berthon et al., 2009; Vickers & Renand, 2003). According to Berthon et al. (2009), these three dimensions ought to be handled simultaneously. Functional dimension of luxury is about the characteristics, physical attributes, core benefits and basic utilities of the products or services that drive the consumers to spend based on its luxury value including the superior quality, uniqueness, usability, reliability and durability (Lahtinen, 2014; Sheth et al., 1991; Wiedmann et al., 2007). It is often linked to physiological needs, giving the idea that luxury goods can solve the problems and necessities of customers (Korchia, 2000; Pura & Gummerus, 2007). In brief, functionality is about what an object can do literally instead of what it signifies. Experiential dimension of luxury justifies an individual subjective value (Berthon et al., 2009), which represents a status experience and an idea of sensorial pleasure when an individual owns a luxury good (Brun & Castelli, 2013; Korchia, 2000; Vickers & Renand, 2003). In terms of experience, it is claimed that “luxury goods create emotion themselves” (Snakers & Zajdman, 2010, p. 17). The symbolic dimension of luxury is the realm of social collective (Berthon et al., 2009). It refers to the discovery of real satisfaction of the consumers through the recognition obtained from their own social groups when they acquire goods or services that come with conspicuousness value and prestige value, which may significantly impact their evaluation and tendency to consume luxury goods (Bearden & Etzel, 1982; Brinberg & Plimpton, 1986; Vigneron & Johnson, 1999, 2004).

Juxtaposing the above discussion on the concept of luxury with Maslow’s Hierarchy of Human Needs will further justify the existence of LHR. Maslow (1943) human needs can be classified into five cognitive levels from physiological (lowest) to self-actualisation (highest) and humans are motivated to satiate a higher level of need once a more fundamental need has been fulfilled. Based on Maslow’s theory, esteem and self-actualisation are luxury motivations to be achieved after the basic human needs of physiology, safety and belonging have been fulfilled. Therefore, luxury housing can be concluded as products required upon social and economic success; sought for their high functionality, afford sensorial pleasure to its owner and outwardly symbolise status. In other words, status and income are determinants of luxury housing demand.

Due to its ultra-expensive price, LHR buyers KLGTT are envisaged to comprise high-net-worth individuals (HNWI) or millionaires (net worth of at least USD 1 million), multi-millionaires (net worth of at least USD 10 million), ultra high-net-worth individuals (UHNWI) (net worth of at least USD 30 million), centa-millionaires (net worth of at least USD 100 million) and billionaires (net worth of at least USD 1,000 million) who can afford to buy the property for either short-term or long-term investment purposes (Knight Frank, 2017). In 2016, out of the overall Malaysian population, there were 43,000 HNWI or millionaires, 2,470 multi-millionaires, 1,020 UHNW, 127 centa-millionaires and 12 billionaires (Knight Frank, 2017). These figures were projected to grow by approximately 70% over the next 10 years based on The Wealth Report 2017 (Knight Frank, 2017). The report also stated that prime residential development is one of the property segments that are highly sought after by Malaysian UNHWIs (Knight Frank, 2017). Nevertheless, Malaysians continue to believe it is safer to put their money in brick and mortar than other investment vehicles because real estate has consistently outperformed many other asset classes in the country (Chew, 2016).

2.2 4Ps of marketing

Generally, marketing literature states that buyers’ purchase decision can be influenced by the marketing mix, which was first proposed by Neil Borden in 1965. The most well-known marketing mix is the 4Ps of marketing which was proposed by Jerome McCarthy (McCarthy, 1960). Although there are other marketing mix models being used, such as the 4Cs and 7Ps of marketing, the 4Ps of marketing (Product, Price, Place and Promotion) have been used profusely in property and construction research until now (see for instance Alias et al., 2018; Jirakittikul, 2018; Subram et al.,

2018). Marketing mix 4Cs (Customer/consumer value, Cost, Convenience, and Communication) is customer-centric (Acutt, 2015) and thus do not seem to fit with LHRs which are determined by developers' idea of luxury, whereas the 7Ps (Product, Price, Place and Promotion, Process, People and Physical evidence) has been criticised for being ungainly and difficult to interpret (Goi, 2009; M. Rafiq & Ahmed, 1995). Marketing mix is a set of controllable and strategic marketing variables which an organisation blends to promote its product in order to produce the response it wants in the target market and capture value from customers in return (Londre, 2016), or in other words a way to influence the demand for its product in the market (Kotler & Armstrong, 2010). An organisation will be able to remain competitive in the industry by controlling the major four variables in an appropriate manner (Lee & Young, 1996).

Property has six special characteristics which include immobility, durability, heterogeneity, scarcity, illiquidity and imperfect knowledge which require marketers to use different marketing mix from normal commodities to suit the special characteristics (Chan, 1986). A well-articulated marketing mix enables property developers to position their products in the market, meeting the needs of the consumers who perpetually seeking a lifestyle living (Alias et al., 2011). Property marketing can be challenging to the developers if they are unable to identify the consumers' preferences (Mar Iman et al., 2012; Mar Iman et al., 2008). The information gathered via marketing mix study will ultimately enable developers to understand the factors that the buyer consider and evaluate before making the decision to purchase (Louviere et al., 2000). Thus, developers will be better informed to formulate marketing strategies that could best capture their target market, increasing marketing efficiency and subsequently boosting sale. However, the use of the 4Ps model is justified in this study because LHR is very much producer-centric, because the unique property characteristics of LHR may hinder attempts at changing the focus on the consumer.

Product refers to goods and services which is offered by a producer in the market to satisfy consumers' needs and requirements (Ehmke et al., 2005; Mar Iman, 2002). In marketing, product attributes include quality, features, brand name, design, packaging and any other tangible or intangible attributes that may directly or indirectly influence consumers' preference (Mar Iman, 2002). For residential products and specifically for LHR, the Product attributes comprise the physical characteristics of the units, including interior and exterior aspects. As such, the Product attributes include Building exterior design (building façade, facilities, and landscaping) (Zeng, 2013), Building interior design (kitchen space, size of living area, size of dining area, number of bedrooms and bathrooms) (Chan, 1986), Facilities (sports and leisure, green features, security) (Gomez, 1994) and Built-up area (Chia et al., 2016).

Price pertains to the amount to be paid for the good and service and is related to the ability to purchase (Schindler, 2011). For a big-ticket item, house purchase, therefore, is highly sensitive to price level and financial capability of the purchaser. Therefore, the Price attributes relevant to LHR include Mortgage interest rate (Abdullah et al., 2012; Dua, 2008; Hitchcock & Lewis, 1981; Tsatsaronis & Zhu, 2004), Loan tenure (Chan, 1986) and Loan-to-value ratio (Saw & Tan, 2014).

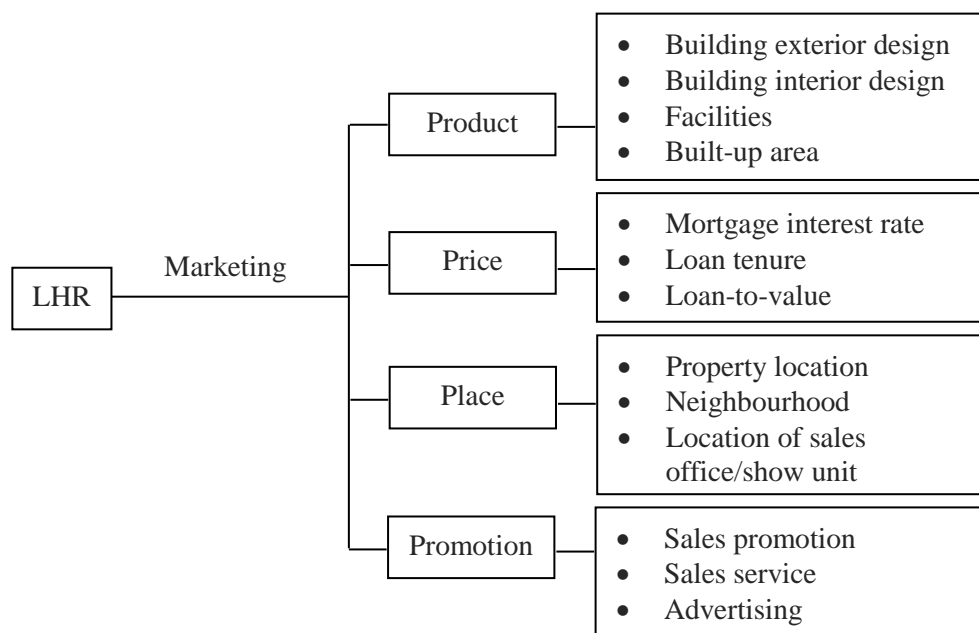
Generally in marketing, Place refers to proper distribution of a product to a right location at a right time (Kotler & Armstrong, 2010), focusing on ways to reach the target market via distribution channel, transport, location of the business, location of the target market, inventory management and market-coverage strategy (Truell, 2007). However, the immobile nature of property means that the definition of Place factor needs to be modified. In property, Place is more related to the location of the property and its surrounding neighbourhood (Chan, 1986) and the location of sales office used to sell the property (Pharanond, 2006). In the context of LHR, the Place attributes include Property location (Yong, 2006), Neighbourhood (Kauko, 2007) and Location of sales office/show unit (Chan, 1986).

Promotion refers to the methods used by an organisation to communicate with the consumers about the product or service to persuade the consumers to make a purchase (Pharanond, 2006), which include advertising, publicity, personal selling, and sales promotion (Kotler & Armstrong, 2010; Nour

et al., 2014; Mohammed Rafiq & Ahmed, 1993). For LHR, the Promotion attributes comprise Sales promotion (Chan, 1986), Sales service (Zeng, 2013) and Advertising (Chan, 1986).

Figure 1 summarises the conceptual framework of this study. As can be seen from the diagram, the marketing of LHR to potential buyers are facilitated by the 4Ps (Product, Price, Place and Promotion). The 4Ps represent the attributes that can be highlighted to attract LHR purchasers; Product attributes include building exterior design, building interior design, facilities and built-up area, Price attributes include mortgage interest rates, loan tenure and loan-to-value ratio, Place attributes include property location, neighbourhood and the location of the sales office or show unit and Promotion attributes include sales promotion, sales service and advertising. All the marketing attributes are deemed important enough to influence buyers of LHR into purchasing the units.

Figure 1: Conceptual framework of 4Ps of Marketing for LHR



2.3 Context

The study area of this research which is the Golden Triangle Kuala Lumpur or KLGT does not have definitive boundaries (Zubir & Brebbia, 2013). KLGT refers to a rough triangular area that is bounded by Jalan Ampang, Jalan Imbi/ Pudu and Jalan Tun Razak (Planet & Kelly, 2015). KLGT was chosen as the study area because it is one of the most expensive swathes of real estate in the city (Planet & Kelly, 2015), located within the bustling central area that is filled with well-planned landscape and iconic skyscrapers. All types of property developments, both commercial and residential can be found here (Bunnell, 1999; Dziauddin et al., 2013; Mohit & Abdul Rahim, 2012). It is internationally known for its upscale urban developments including office, retail, residential and hotel sectors. Every existing property can easily boast of a central location, where all necessary establishments and conveniences are within reach, resulted in growing numbers of people moving into the city (Ang, 2012; NAPIC, 2010). KLGT's location and ambience have made it a sought-after address for luxurious living that caters to the growing number of high net worth individuals (HNWIs). It is observed that LHR has significantly increased in presence in KLGT, which mainly targets HNWIs and expatriates (Mar Iman et al., 2008).

Savills, one of the leading firms of property consultants and real estate agents in the market, claimed that residential units priced at RM800 per square foot and above in KL are considered luxury

(Savills, 2015). In its latest Asian Cities Report First Half of 2015, there were about 21,756 luxury residential units priced RM800 per square foot onwards in KL as of end 2014 (Savills, 2015). Another property consultant, Rahim & Co observed that prices of LHRs currently ranged in between RM1,000 per square foot and RM1,500 per square foot (Mahalingam, 2016). In fact, some developers are already selling at RM2,000 per square foot and above (Mahalingam, 2016). For the purpose of this thesis, LHR is deemed to be high-rise residential units that are priced at RM800 per square foot and above.

3.0 METHODOLOGY

This study adopted a quantitative approach using data from a questionnaire survey on LHR buyers in KLGT. The respondents were selected using purposive sampling that is required to gain the information from specific target group (Sekaran, 2006). This is because the specific people selected as respondents can provide the information needed as they have fulfilled criteria by the researcher. In this case, respondents were owners of LHR in KLGT.

The majority of the questions were close-ended and five-point Likert scale. There were three parts in the questionnaire survey; 1) Background of respondents (addressing Q1, i.e. who the LHR owners in KLGT are) 2) LHR details (addressing Q2, i.e. the characteristics of LHR in KLGT) 3) Importance of 4P attributes (addressing Q3, i.e. the marketing mix for LHR in KLGT).

A total of 180 completed questionnaires were obtained by a combination of postal and face-to-face survey. The survey took place from November 2016 to February 2017. The survey was conducted in the grounds of several LHRs including The Troika, Banyan Tree Signatures Pavilion KL and Hampshire Residence.

The questionnaire data was analysed using Statistical Package for the Social Science (SPSS) to generate descriptive statistics including frequency and mean scores. The results were presented in the form of table and chart of frequency. Frequency analysis is used to identify the number of each category of the phenomenon occurs so that trends can be easily established (Sekaran, 2006). Mean scores were also calculated to rank the marketing attributes to enable comparison between the 4Ps of marketing.

4.0 RESULTS AND DISCUSSION

The Cronbach's Alpha reliability test yielded a value of 0.892 that can be interpreted as having high reliability, whereby $\alpha > 0.9$ is interpreted as excellent, $0.7 < \alpha < 0.9$ as good, $0.6 < \alpha < 0.7$ as acceptable, $0.5 < \alpha < 0.6$ as poor and $\alpha < 0.5$ as unacceptable (Kline, 2000).

4.1 Respondents' background

Respondents' background is summarised in Table 1. Out of 180 respondents, 64.4% were male respondents ($f=164$) and the remaining 35.6% were female respondents ($f=64$). The majority of respondents (almost 70.0%) were above 30 years of age (30s at 37.2%, $f=67$ and 40s at 31.7%, $f=57$), showing a growing affluent young population phenomenon in the study area. In terms of nationality, 78% ($f=140$) were Malaysians and 22% ($f=40$) were non-Malaysians that comprised Singaporeans, Australians, English, Japanese and Chinese.

The vast majority of the respondents (93.3% or $f=168$) had tertiary education level, followed by secondary education level (5.6%, $f=10$) and lastly, primary education level (1.1%, $f=2$). The occupation sector of the respondents was dominated by the private sector (82.8%, $f=149$), followed by the public sector (10.0%, $f=18$) and other sectors (7.2%, $f=13$) that comprised own business or retirees. In terms of monthly household income, almost 80% of the respondents indicated having household income above RM15,000. RM15,000 was used as the likely minimum acceptable

household income to pay for property priced at above RM1 million with a maximum loan-to-value of 90%, maximum mortgage tenure of 35 years and housing loan interest rate of 4.30%. Only 39 respondents (21.7%) had monthly household income of less than RM15,000.

Table 1: Respondents' profile

Variables	Profile details	<i>f</i>	%
Gender	Male	116	64.4
	Female	64	35.6
Age	20s	26	14.4
	30s	67	37.2
	40s	57	31.7
	50s	13	7.2
	> 60	17	9.4
Nationality	Malaysian	140	77.8
	Non-Malaysian	40	22.2
Educational qualification	Primary	2	1.1
	Secondary	10	5.6
	Tertiary	168	93.3
Occupation	Public	18	10.0
	Private	149	82.8
	Others	13	7.2
Monthly household income	< RM15,000	39	21.7
	RM15,000 – RM30,000	83	46.1
	> RM30,000	58	32.2

The results showed that the majority of respondents (LHR owners in KLGT) comprised Malaysian male of above 30 years of age, highly educated and mostly work in the private sector that offers higher income to employees; in this case more than RM15,000 per month for the household. Different from other LHR locations such as Georgetown and Johor Bahru, the demand for LHR in the study area is highly likely to be driven by locals. As such, developers' marketing strategy should consider local elements within the 4Ps such as the interior design and finishes of the LHR unit.

4.2 Details of LHR purchased

The majority of the respondents (61.1%, $f=110$) purchased the property based on their own decision while 31.7% of them ($f=57$) were influenced by their family members. Only a small proportion was influenced by friends, 1.7% of them ($f=3$) were influenced by their relatives and lastly 1.1% ($f=2$) respondents were influenced by others (agents). In terms of reason to purchase, almost two thirds of the respondents (61.7%, $f=111$) indicated investment purpose and approximately one third (29.4%, $f=53$) indicated own stay purpose, while the remainder bought to upgrade (5.0%, $f=9$) and as trophy (3.9%, $f=7$).

As for the purchase price, two price groups were most cited by the respondents, RM1,000 per sq. ft. or below (35.6%, $f=64$) and RM1,001 to RM1,500 per sq. ft. (31.1%, $f=56$). None of the respondents purchased their LHR at the price above RM3,000 per square foot. Size-wise, the majority of respondents indicated owning LHR with a built-up area of 501–1,000 sq. ft. (41.4%, $f=74$), followed by 500 square feet or less (30.6%, $f=55$). It was noted that more than two-thirds of the respondents (71.7%, $f=129$) preferred LHR size of less than 1,000 sq. ft., which may correspond with the highest cited purpose of purchase, which is investment. The preference for smaller unit size was reflected in the type of LHR, whereby 38.3% ($f=69$) owned studio units and 26.1% ($f=47$) owned 1-bedroom unit.

Table 1: Specifications of currently owned LHR in KLGT

Variables		<i>f</i>	%
Main influencer of purchase decision	Yourself	110	61.1
	Family	57	31.7
	Relatives	3	1.7
	Friends	8	4.4
	Others	2	1.1
Reason to purchase	Investment	111	61.7
	Own Stay	53	29.4
	Upgrade	9	5.0
	Collection	7	3.9
Purchase price (RM per square foot)	≤1,000	64	35.6
	1,001 – 1,500	56	31.1
	1,501 – 2,000	17	9.4
	2,001 – 2,500	30	16.7
	2,501 – 3,000	13	7.2
	>3,000	0	0.0
Built-up area (square feet)	≤500	55	30.6
	501 – 1,000	74	41.1
	1,001 – 1,500	24	13.3
	1,501 – 2,000	16	8.9
	2,001 – 3,000	9	5.0
	>3,000	2	1.1
Number of bedrooms	Studio	69	38.3
	1 bedroom	47	26.1
	2 bedrooms	20	11.1
	3 bedrooms	31	17.2
	4 bedrooms	10	5.6
	> 4 bedrooms	3	1.7

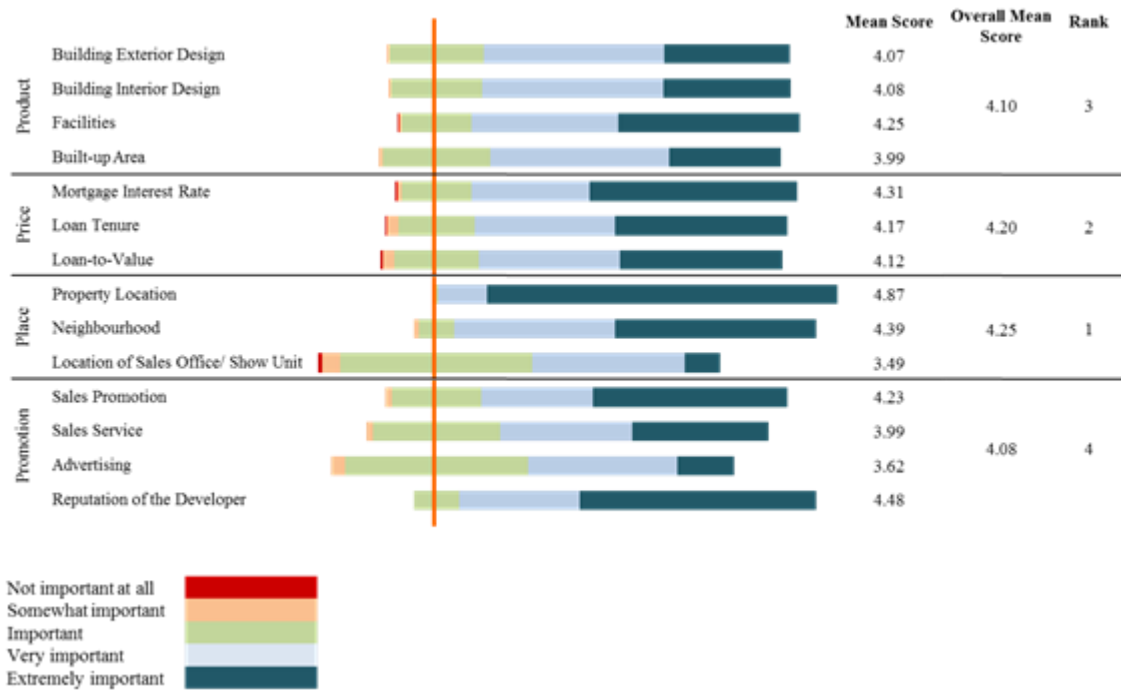
From the results, it can be deduced that the LHRs in KLGT were purchased mainly for investment purposes, which is reflected in the highest indicated price (below RM1,000 per square foot), built-up area (501-1,000 square feet) and type (studio). Larger units are more expensive to maintain in terms of higher maintenance fees and more difficult to sell later in terms of smaller buyer pool.

4.3 4Ps of Marketing and the Purchase Decision of LHR

Figure 1 shows respondents' indications on the importance of the 4Ps of marketing on their decisions to purchase LHR in KLGT. The level of importance was examined through a 5-point Likert scale with 1 = "Not important at all" to 5 = "Extremely important". Mean scores were calculated to show the ranking of variables. The frequencies are depicted in diverging stacked bar chart that shows tendencies with *Important* being the anchor in the middle vertical axis. Higher importance levels lie to the right of the middle axis while lower importance levels lie to the left of the middle axis.

Overall, the respondents who participated in this research indicated that all 4Ps of marketing were considered important for decision making in purchasing LHR in KLGT, with all mean scores being above 4.0. The overall results rank Place as the most important marketing factor for respondents (\bar{x} =4.25), followed by Price (\bar{x} =4.20), Product (\bar{x} =4.10) and finally, Promotion (\bar{x} =4.05). Among the attributes, Property Location under Place factor was deemed the most important attribute by the respondents (\bar{x} =4.87). The second most important attribute to the respondents was the Reputation of the developer (\bar{x} =4.48), followed by the Neighbourhood (\bar{x} =4.39). The least important attribute to the respondents was the Location of sales office/ show unit (\bar{x} =4.25).

Figure 1: Level of importance of 4Ps of marketing according to respondents



Despite the luxury element in LHR, there are different considerations from normal luxury goods that should guide its marketing. The above results reflect that LHR buyers in KLGT are likely highly-educated people who are working in the private sector with substantial monthly household income. A higher level of education can lead to a higher earning capacity, especially for private sector employees. Correspondingly, as one’s income level increases, so does the propensity to consume premium items (Dubois & Duquesne, 1993; Holbrook & Hirschman, 1982; Vigneron & Johnson, 1999). This also supports the observation of Malaysian property consultants that luxury properties tend to be owned by super rich individuals (Knight Frank, 2017).

As indicated by the results, the vast majority of the respondents relied on themselves when making the decision to purchase LHR, which mostly were meant for investment purposes as reflected by the smaller sized units, and to a lesser degree for owner occupation. This result seemed to reject the symbolic dimension of LHR among the respondents while affirming the functional and experiential dimensions (Berthon et al., 2009; Vickers & Renand, 2003).

Surprisingly, Product was ranked third after Place and Price by the respondents in terms of importance. This result somewhat contradicts the perception of luxury products as a testament of social standing (Korchia, 2000; Pura & Gummerus, 2007) and confirms the view that LHR marketing should be different from conventional luxury goods due to property’s unique characteristics (Chan, 1986). The respondents were likely to purchase LHR in KLGT as investment assets and as their home rather than to show off, as wealthy Malaysians still prefer to invest in physical assets rather than paper investments (Chew, 2016). Therefore, it is natural that Property Location, Reputation of the developer and Neighbourhood were ranked high in importance because these factors contribute to the respondents’ investment value and quality of living. As such, the results serve as a cautionary tale against developers with inferior sites intending to pursue higher profits from LHR that there is no substitution for a good address.

5.0 CONCLUSION AND RECOMMENDATIONS

This paper has provided an insight into a less examined property segment i.e. LHR in terms of its buyers and physical characteristics and the perception of its 4Ps of marketing among buyers in the KLGT area. The KLGT was selected as the study area due to the promulgation of LHR in the location. In unpacking the details and the 4Ps of marketing of the LHR, it was discovered that the property elements of LHR weighed more than the luxury elements of LHR among the respondents.

The success of a business is largely depending on the effectiveness of the marketing strategies used. It is therefore imperative for developers of LHR to realise that location and neighbourhood of the LHRs, together with developers' reputation may be more important for marketing strategies rather than relying on expensive promotional items such as advertising. In relation to the overhang situation in the property market, this means that LHR developers should conduct a more thorough market and feasibility study on their site to avoid luxury property from being built in unsuitable locations and further contribute to the number of unsold properties in the market.

As with other studies, this study acknowledges some limitations, including the small sample number and limiting the study to one study area. With a limited sampling, the validity of generalising the results for all LHR buyers is undoubtedly low. Additionally, the effects of exogenous factors such as political and economic factors on LHR buyers were not examined and can be further explored in future endeavour. Other studies can be conducted to gain the perspectives of developers or marketers on LHR marketing.

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