

Unleashing the Competitive Advantage of Malaysian Private Housing Developers through Product Analysis

(Menjayakan Kelebihan Daya Saing Pemaju Perumahan Swasta Malaysia melalui Analisis Produk)

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ABSTRACT

Malaysian housing developers produce a range of products that has the characteristics of being large, expensive and durable. Nonetheless, the protracted development process exposes the developer to a high level of risk. Previous product development studies had focused on the technical elements of development rather than managerial aspects. This paper examines the contribution of product characteristics to the competitive advantage of Malaysian private housing developers. Using semi-structured snowball interviews, this qualitative study aims to elucidate upon the success factors of private housing developers. Ten successful housing developers were chosen for this research. The findings suggest that successful project management coupled with a product selling price that reflects the location, quality and innovativeness of the product, count toward the developer's reputation and branding. This paper expands the academic housing development literature by providing specific and in-depth information on housing developer products in Malaysia.

Keywords: Product characteristics; private housing developer; competitive advantage; qualitative approach

ABSTRAK

Pemaju perumahan Malaysia menghasilkan pelbagai produk dengan ciri-ciri seperti besar, mahal dan tahan lama; lebih-lebih lagi, proses pembangunan yang berlarutan mendedahkan pemaju kepada tahap risiko yang tinggi. Kajian pembangunan produk sebelum ini telah memberi tumpuan kepada elemen-elemen teknikal pembangunan produk berbanding dengan aspek pengurusan. Kertas kerja ini mengkaji sumbangan ciri-ciri produk kepada kelebihan bersaing pemaju perumahan swasta Malaysia. Menggunakan kaedah temubual 'snowball' separa berstruktur, kajian kualitatif ini bertujuan untuk menjelaskan faktor kejayaan pemaju perumahan swasta. Sepuluh pemaju perumahan yang berjaya dipilih untuk menjadi responden kajian ini. Hasil kajian menunjukkan bahawa pengurusan projek yang berjaya; ditambah pula dengan harga jualan produk yang mencerminkan lokasi, kualiti dan inovasi produk; menyumbang kepada reputasi dan penjenamaan pemaju. Kertas kerja ini mengembangkan literatur akademik pembangunan perumahan dengan menyediakan maklumat khusus dan mendalam ke atas produk pemaju perumahan di Malaysia.

Kata kunci: Ciri-ciri produk; pemaju perumahan swasta; kelebihan daya saing dan pendekatan kualitatif

INTRODUCTION

Despite being riskier as compared to other sectors (Jaafar et al. 2010), the number of private housing developers is increasing steadily every year. In a fiercely competitive market, only a small percentage of newly established organisations had been able to survive and even fewer are still able to grow and sustain that growth (Abdul-Aziz et al. 2006). Housing development is capital intensive, requires significant investments that can only be regained several years later with no guarantee that projected sales will be met (Jaafar et al. 2009; Jaafar & Ali 2011). Similar to other industries, the housing construction industry is a highly competitive and constantly changing environment, and significant amount of capital may need to be reinvested throughout the course of a project (Zhang & Lu 2015).

In the context of Malaysia, the business failure of a private housing developer is normally associated with the abandonment of a housing project (Dahlan 2011a, 2011b). This is often complicated by private contractors who may be unable to complete or execute their role in a development project within an agreed time frame (Khalid 2005). Unfavourable economic condition, building material logistics and the state of the labour market can result in discrepancies between the estimated and actual cost of a project (Carrero et al. 2009; Tan 2011). According to the Ministry of Housing and Local Government, 33 abandoned housing projects were in the course of rehabilitation as of December 2013 (Hamzah 2013). These abandoned projects are ultimately the product of the failure of housing development firms to withstand changing economic circumstances and other challenges.

According to the resource-based view, corporate resources including the assets and capabilities can be brought to bear in detecting and responding to market's opportunities and threats (Wade & Hulland 2004). In order to have a competitive advantage, firms must have a unique set of resources and keen to expand in a way that benefits others (Porter 1991). In Malaysia, housing developers compete with one another to provide customers with value for money housing. Each housing developer, however, has its own unique strategy at attracting buyers; for example, by having innovative concepts and designs, and by creating and strengthening their companies' brands.

Ball (2003) observed that the housing industry differs across and within countries depending on the local market's context and technology. The housing development process involves land acquisition, obtaining regulatory approval and permits, infrastructure installation and housing construction. While this process requires a significant investment of time and financial resources, it should be noted that there is seldom any guarantee of return on these investments. Therefore, having the right characteristics of lined-up products somewhat ensure the success of a housing developer.

The following explores the product characteristics of housing and the antecedents of these characteristics. The methodology and results of this study are described before a discussion of said findings is undertaken. This paper concludes by positioning these findings in relation to the current state of knowledge with respect to the housing development industry in Malaysia and by making a number of recommendations for future studies.

PRODUCT CHARACTERISTICS

Mohd Fauzi et al. (2012) observed that, much like other products, houses possess a number of unique characteristics. Theoretically, in order to sustain their competitiveness, housing developers must strive to constantly improve and meet their customers' expectations in terms of product enhancement (Abdul-Mohit 2010). However, according to Sibly (2011), the housing development industry needs to better manage its products and services. There are six

characteristics of this housing product that must be considered: (a) quality; (b) innovation; (c) location; (d) price; (e) reputation; and (f) branding.

Quality In order to stay relevant, Rahadi et al. (2013) suggested that attention to product quality has to be the core strategy of business. For an industry that constructs repetitive products, quality is a mean to remain competitive through either a sterling reputation or the right marketing (Hu 2013). Ibem and Aduwo (2013) related quality to customer satisfaction. By producing quality houses, customers are more satisfied, thus contributing toward the firm's competitive advantage (Zhang & Lu 2015). Sibly et al. (2011) noted that quality of housing products in Malaysia is somewhat controlled by the need of developers to conform to the Sale and Purchase Agreement (SPA), which mandates that they construct good quality houses with minimum defects.

Innovation Innovation deals with the development of new ideas, products, services, markets or technologies (Jaafar et al. 2014; Yates 2013). In addition, Lechner et al. (2001) in their report stated that innovative housing are not easy to realize, as people who are looking somewhere to live will try to fulfil the hard, almost conservative, criteria first. In other words, the hard criteria of housing satisfaction have to be fulfilled first, only then the other *softer* criteria will be considered by homebuyers. Nonetheless, innovation is a key organisational performance benchmark, and is essential for business growth, survival and success (Kamaruddeen et al. 2011; Lai et al. 2011; Yusof et al. 2015).

Location The traditional adage of '*location, location, location*' resonates with the parameters of saleability, high appreciation and residential satisfaction (Alias et al. 2011; Chuan et al. 2012; Wang & Wang 2015). Unsurprisingly, projects that are closer to desirable facilities are deemed to be more attractive and have less risk associated with them in terms of sales and loan assurance (Ibem & Amole 2013; Ponomareva 2012). Consequently, Lawton (2013) suggested that location should be put at the forefront of a housing developer's concerns as it is a crucial variable in determining the success or failure of a project, and directly affects the purchasing decisions of homebuyers. In contrast, Jaafar et al. (2005) reported that housing satisfaction is not a function of location.

Price Sean and Teck-Hong (2014) contended that the determinants of price differ from one country to the next as price flexibility is a function of the supply and demand of houses (de La Paz 2014). Nonetheless, the central component of housing price remains the cost of the land itself (Huang & Zu 2015). Wan-Rodi et al. (2013) observed that housing prices are also determined by location and quality of the house.

Reputation Cole, Sturges and Brown (2013) suggested that the reputation of a developer also contributes to the success and financial growth of a firm. While Oluwatayo et al. (2014) indicated that the adoption of the reputation of the developers did not significantly influence the satisfaction of the residential, Manivannan and Somasundaram (2014) suggested that homebuyers will certainly consider the reputation of a development firm as a predictor of product quality. Findings from Sean and Teck-Hong (2014) confirmed that reputation is one of the characteristics that contribute to project success since purchasers are able to anticipate the quality difference among housing projects.

Branding Branding concerns the way in which marketers visualize a product through the eyes of the public (Cheng & Cheok 2008). According to Wu (2010), the significance of brand development for housing developers cannot be understated as it is often the basis in

determining property price. Branding, therefore, is an important consideration for housing developers as it relates to the success of a project (Amini et al. 2012; Wai et al. 2012).

These product characteristics should be properly identified during the implementation stage in order to avoid project losses. Notwithstanding, the above-mentioned attributes can be leveraged to create competitive advantage (Jugdev & Thomas 2002). As elucidated by Wai et al. (2012), the success of project management is determined by the ability to complete a project within budget, on time and within the scope of the original mandate of the project.

RESEARCH METHODOLOGY

RESEARCH APPROACH

In the context of the present study, a qualitative approach was employed so as to enable the identification of new behaviours that are not currently being included in existing models which relate to product characteristics to the competitive advantage of private housing developers. Qualitative research stresses on the complexity of social interactions in the natural settings, and combines personal emotions and organisational functioning to interpret the context behind the phenomena being observed (Chan et al. 2010; Hong et al. 2012; Strauss & Corbin 2008). The qualitative method is the best way to obtain an insider's perspective and to describe the experiences of those involved (Mayring 2007).

PILOT STUDY

A pilot study is a small-scale preliminary study designed to gather information and test the logistics of a larger survey before it is conducted (Lancaster et al. 2004). In addition, Walliman (2006) suggested that it is a good idea to pre-test the questionnaire on a small number of people before using it to collect data. In this study, the pilot test was carried out via face-to-face discussions, thereby providing the opportunity for adjustments based on first-hand information from the respondents. The pilot test involved individuals who are renowned housing developers from Kota Bharu, located in the northern state of Kelantan, and had been involved in the development of residential housing projects since 1989. The face-to-face discussion took approximately 2 hours. Based on the results, some items were deleted from the questionnaire, while other were modified and added accordingly.

RESPONDENTS

Due to the emphasis on quality over quantity, the objective of this pilot was not to maximise on the sample numbers but to become 'saturated' with information on the topic (Padgett 1998). Fifty potential respondents were contacted to obtain further information on their organisations and the entrepreneurs themselves. This process produced sufficient information to disqualify 30 of these potential respondents from participating in the study, leaving 10 who had agreed to be interviewed and met the inclusion criteria of this study. Johnson and Christensen (2004) suggested a sample size of six to 12 participants for a qualitative study such as this. Furthermore, in terms of the number of interviews required, previous studies had demonstrated that a sample of six to eight respondents may yield sufficient data to enable useful interpretations (Ekanem 2007; Hong et al. 2012). The sample for of this study included successful private housing developers in Malaysia who satisfy the following criteria:

1. individuals who *started* their own businesses,
2. individuals who are *actively participating* in the management of their businesses,

3. the business must have a history of at least 10-years in the housing development industry,
4. the business must demonstrate a pattern of growth since its establishment and operates in a profitable/progressive manner,
5. the business must have at least 5 permanent employees,
6. the business must have undergone at least one economic downturn period and demonstrated a capacity to survive in an adverse economic climate.

DATA COLLECTION

All the respondents were males and above 40 years of age at the time of being interviewed. All interviewees originated from Peninsular Malaysia. The private housing developers from Sabah and Sarawak were excluded from this study due to different acts and regulations in these states. The subject of analysis in this study is the housing developer who develops private housing projects.

TABLE 1. Details of respondents

| Respondent | Years of Operation in the Industry | Designation | Business Management Experience |
|-------------|------------------------------------|--------------------|--------------------------------|
| Developer A | 26 years | Managing Director | 29 years |
| Developer B | 15 years | Managing Director | 24 years |
| Developer C | 22 years | Managing Director | 27 years |
| Developer D | 20 years | Managing Director | 21 years |
| Developer E | 29 years | Managing Director | 31 years |
| Developer F | 30 years | Founder & Director | 42 years |
| Developer G | 22 years | Managing Director | 22 years |
| Developer H | 10 years | Managing Director | 18 years |
| Developer I | 38 years | Executive Director | 14 years |
| Developer J | 22 years | Founder & Director | 45 years |

DATA ANALYSIS

One way to sort and arrange interview data is through content analysis (Hsieh & Shannon 2005). In this study, the focus on analysis is the success factors of Malaysian housing developers, obtained through semi-structured interviews conducted with said respondents. A process of distilling the substance of the interview was done by sorting the respondents' feedbacks into several content-related categories. During this stage, the product characteristics of Malaysian private housing developers were elicited and further identified as a set of factors that contributed to their business competitiveness.

RESEARCH FINDINGS

Several previous Malaysian studies had analysed the performance measures and entrepreneurial characteristics of local housing developers (Abu-Jarad et al. 2010; Jaafar et al. 2010); however, none of these earlier studies had related these entrepreneur-level variables to competitive advantage or product characteristics. Therefore, studying the product characteristics of Malaysian housing developers can potentially provide novel findings and perspectives on the realisation of competitive advantage. This section describes the findings produced through the semi-structured interviews and relies heavily on the actual narrations of

the respondents. Responses have been classified to three central themes: (a) quality and innovation; (b) location and price; and (c) reputation and branding.

Quality and Innovation These two features often went hand-in-hand as they are related to mobilising a product for consumption. Respondent H was positive about upholding his principles in providing quality housing for the public. He stressed on the quality issue,

'I will closely supervise the progress and safeguard the quality of materials used; if there are any physical damage and scratches, I will personally ask the supplier to immediately change the material. Also, as a main contractor, I am very particular on quality. I will make sure that the products are authorised by SIRIM, and in fact, we are applying the ISO code of conduct in our work practices to adhere to quality standards and maximum satisfaction'.

His sentiments were shared by other respondents, such as respondents A, C, G and J.

Another major concern associated with quality is related to fraud and cheating. Respondent A and J indicated little tolerance for such deception in housing products, jointly reiterating:

'...the most important thing is quality; no fraud and cheating towards our customers'.

Respondent G was eager to talk about quality as he considered it to be related to branding and reputation:

"...the quality of the houses should be impeccable with least complaint, so other people will be attracted to buy our products. Here, reputation will certainly come along with good track record. Hence, on-time product delivery and quality of the houses are very important in this industry."

Quality and innovation are subjects that cannot be detached in the realm of housing development. Almost every respondent commented positively on innovativeness in their products. For instance, Respondent C classified innovation as the main determinant of success, saying *'...the most important thing is innovation'*. Respondent G added:

"We do implement product innovation to attract buyers. I believe it provides a competitive edge to us. Basically, we have to adhere to the needs of homebuyers. Maybe they are keen in value for money products and more practical designs or building structure, not necessarily over-designed and at the end, there will be leakages or damages."

Two interviewees admitted of having duplicated housing designs from overseas (e.g. Australia) and adopted certain features that are compatible with local preferences. Respondent D reported:

"We have copied few designs from others too. Like recently, I went to Australia and I loved one design and plan to adopt it into my product design. But certainly, the design will undergo some modifications and improvisations to suit with Malaysian culture and environment."

Another respondent, Respondent H similarly revealed,

“I am investigating other development projects too, for example, why this house is facing north and why this is facing south. That is why I love to skim through the plan or layout projects. From there, I can apply the findings to my projects too, for instance, I have analysed the design of Botanical Garden, Desa Parkcity.”

Several interviewees have developed novel ideas to be implemented in their projects and businesses. Respondent I stated:

“We have to be very innovative, like this zero-lot design, it is still new in Kuantan. At one time, we were among the pioneers that built terrace houses with four bedrooms because I can foresee with this additional room, homebuyers would certainly love it and it will be a good investment (and) also for future prospects.

Respondent D echoed his fellow developer’s comments by stating:

“Now we are planning to produce cluster houses, it is like a semi-D without back lanes. This design is becoming so popular in Johor Bahru and Kuala Lumpur. Every unit is a corner-lot [i.e. 4-in-1]. Security-wise, this one is better; thieves hardly enter into this type of houses. We have outflanked others for this design in Malacca [i.e. it is a single-storey house] whereby from the outside, it looks like a double-storey house. I believe that most of the purchasers are first-time homebuyers. So, we try to explain to them the rationale of our design. We even design with better features, 4 rooms and all are squares in shape; have wet and dry kitchens to suit Malaysian style cooking. With these characteristics, you just need to close the kitchen door and (hence) there will be no need to clean the entire house.”

Location and Price Respondents agreed that location is their customers’ key criterion in choosing houses to buy. To that extent, respondent D emphasised:

“The location of the project is inherently vital. As housing developers, we need to choose the best location to sustain growth”.

Respondent C urged other developers to invest in the right land. Other respondents (e.g. B, F, H and J) seemed to agree with this opinion, while respondent I from Kuantan, Pahang, tried to link project location with the surrounding market:

“We have housing projects near to the airport (and) we noticed that the present market can only accommodate houses with prices below RM200,000. So we developed terrace houses that range between RM180,000 and RM200,000. People will definitely buy houses near to their workplaces. This situation relates to the transportation cost [e.g. petrol, fare, etc.]. Thus, we need to identify the project location first.”

Congruent with this, respondent D disclosed his own strategy:

“Usually, the land that we bought had already developed surroundings, then you are very safe. If we buy such land that has existing housing estates nearby, it will be easier for us because the second generation will be keen to buy our houses in order to be closer to their parents. This is the most important factor for them to buy our houses, especially for non-Bumis [i.e. Chinese and Indian]. Now, the time-consuming aspect (i.e., traffic jam) is very important for buyers as they will consider this factor before buying a house. From this

analysis, we decided to develop houses near the old residential areas, so that the second generation will buy our houses.”

Respondent D’s principles were echoed by respondent F, who initiated a housing project near to the hospital for the conveniences of the elderly.

In relation to location, pricing is also considered important by the housing developers. The right price is the benchmark for a successful project and may affect the performance of the firm. Respondent B stressed, *“First is location, and second is price.”* when discussing the success criteria of housing developers in Kelantan. Apart from being competitive in pricing, Respondent C added that, *“The prices should be reasonable; they must be something affordable”*. Accordingly, respondent G revealed, *“In order to attract buyers, competitive pricing needs to be leveraged. We need to know our rivals’ prices before coming up with our selling price.”*

An example of pricing methodology in response to the elasticity of demand is provided by respondent B:

“We cannot go beyond a certain range of price to avoid ‘flop’ (unsaleable) or slow in sales. Here, the highest price for a bungalow that we can ask is RM350,000... or else I need to sell below RM300,000. The best and standard rate is within RM250,000 to RM300,000. If it is less or below that rate, there will be no profit for us because the current land price is getting ridiculously expensive. But for Kota Bharu [i.e. the town area], we may go up as high as RM400,000 for a bungalow, depending on the locality itself.”

Reputation and Branding These two characteristics of business go hand-in-hand in providing a good platform for housing companies to pursue higher performance. Seven respondents were of the same opinion that reputation and branding have contributed to their success. Several respondents, such as respondents A, B and H, opined that having a good reputation and a *clean* track record have assisted them in progressing further and achieving success in this industry. Respondent D illustrated the importance of reputation in facilitating business: *‘...with our good reputation, it won’t be a problem to get bank loans’*. He further added:

“We create reputation and branding through quality and design. My homebuyers always introduce others due to my quality and designs. We have to give the best design and quality. They are happy with my houses, they like my design and quality. In this business, I also noticed and learned that you cannot do mass products; you must be branded. Take the scenario when homebuyers feel confident and promoted us via word-of-mouth - this developer gives your houses in time, no bad records and good design too. If we are already renowned and our projects are good in quality, buyers will trust us, so it will be easier for us to sell our houses in the future. It appears that because of our reputation in Malacca, the Malays are starting to buy houses from us due to our good workmanship and quality.”

Another respondent, Respondent G, further noted:

“Success is when your project is sold out and you are able to sustain the business, not only for one project. Besides, your product must be well-received by the public and to a certain extent it allows you to build your reputation in this field.”

Two other positive factors were mentioned by respondents. Respondent A said:

“We need to heed the time-factor aspect; as for our agreement with buyers, we have promised to finish our projects within 24-months. Hence, we will try to abide by the contract in order to preserve our good reputation.”

Another respondent, respondent F, justified his action:

“The strategies to become bigger and competitive are to firstly consolidate and carve our name in our place of origin.”

Therefore, these twofold features of housing developers are salient at strengthening a firm’s reputation among the members of public.

While this study highlights the importance of product characteristics from the perspective of Malaysian private housing developers, the relationship between these product attributes is just as important. Quality and innovation move in tandem with the reputation and branding of the housing developers. Similarly, the prices set by the housing developers are not determined only by the location of the houses, but by the quality and innovation of the product. Yam and McGreal (2010) advised housing developers to safeguard the welfare of homebuyers as it determines the success of a housing development. Developers should be sensitive to the changing lifestyles of their customers by reviewing their beliefs which guide their product delivery decisions and to recognise that homebuyers are entitled to courtesy, consideration and care (Shafiei et al. 2010). It may be prudent for developers to confine their attention to one project at a time to preserve their quality and reputation (Abdul-Aziz et al. 2006). Issues of after-sales service and the provision of safe and secure neighbourhoods should be observed in an attempt to manage the complexity of offering a greater variety of products.

DISCUSSION

The finished product for housing developers is of course the houses. The key marks of product will certainly attract public responses, but people prefer uniqueness and other product benefits if they are to buy a house. For this reason, the respondents to this study have conceived a number of product characteristics to influence the viability of their products on the housing market. The following discussion is related to the findings of the present study to the existing literature.

Quality and Innovation It is widely recognized that both product and service qualities contribute to the success of a housing project; whereby the developers focused on their competitive advantage and market profit (Banomyong & Supatn 2013). In the current study, 80% of the respondents associated their success with the quality of the products provided by their firms. Respondent H, for example, noted:

“My firm is the first developer to sell single-storey houses for more than RM100,000 and double-storey houses for more than RM150,000. As for semi-D houses, I sell them at RM200,000 and above for each unit. This situation happened because I think the profit margin is very small or near to loss. But, this increment should be in line with our credibility to provide quality houses. I do believe that buyers nowadays are willing to purchase houses with better quality.”

Housing designs have to evolve to accommodate the different needs of various stakeholders (Tan 2013). The preferences of homebuyers are also transforming, from the need for basic shelter to quality living environment (Yam & McGreal 2010). It is, therefore, important for Malaysian housing developers to monitor the quality of their workmanship by designing products that can satisfy their customers' needs and requirements (Sibly et al. 2011).

Apart from tangible quality improvements, innovation is widely recognized as being a key to competitive success for housing developers, especially in terms of improving organisational performance (Kamaruddeen et al. 2011; Lai et al. 2011). Six out of the ten respondents interviewed agreed that innovativeness is an important characteristic of a successful housing developer.

Green technologies have been embraced by industry players for application in the real estate industry. Ibrahim et al. (2013) suggested that the implementation of green initiatives will likely to result in the market demand for housing products growing, and firms that embrace green initiative will have a distinct competitive advantage. Respondent F shared his view on the matter:

"We have to foresee the future news; everybody is promoting 'green products' to sustain nature. In fact, we have our own project that applies the 'Green Building Index' in Serdang. Now, our government is encouraging the solar power concept and we are planning to implement the idea in our next project. Well, this technology is still novel in Malaysia, but for me, we need to follow and always be up-to-date."

In relation to this, Malaysia's Minister of Urban Wellbeing, Housing and Local Government, Datuk Abdul Rahman Dahlan, announced that the government undertakes to continuously review the incentives offered for buildings and designs that are environmentally friendly (Wong 2013). However, Malaysian housing developers should also observe other innovative features, such as having north-south orientation (Tan 2013), space extension (Jaafar et al., 2009), houses in garden settings and gated-guarded residences (Jaafar et al. 2010) in order to further innovate this challenging sector. To this extent, the literature suggests that housing developers to aggressively apply current design trends in the pursuit of innovation, outstanding quality and design conducive to community living at its best (Ibrahim et al. 2013; Rahadi et al. 2013).

Location and Price Almost all respondents perceived project location to be the most critically outstanding factor influencing their business success in housing development. This finding is consistent with those of Jaafar et al. (2014) whereby location is an intrinsic attribute that directly determines the quality and market value of the property. Moreover, the location attribute of a project is a function of the location's accessibility and neighbourhood quality (McCluskey et al. 2000). With respect to locational indicators, respondent F narrated:

"The project location is vital to be examined. We want to know our target buyers and market, which group is the majority, whether youngsters or elders. Like our project which is located near to a hospital, we predicted that old folks will buy our project because they might want to stay near to the hospital to have treatment or medication. Thus, we thought that their children might also want to purchase our houses so that they can be closer to the healthcare institutions. I bet that this is the newest finding discovered. You can see the trend now in Kuala Lumpur. Let us take the scenario of Institut Jantung Negara (IJN), a lot of condominiums have been built nearby to cater for the demands of the said buyers."

The decision to maintain a certain pricing level must be made carefully by considering a wide range of variables, including demographic and economic variables (Wan-Rodi et al. 2013). Likewise, accessibility is closely related with the price of a real estate product (Rahadi et al. 2013). Half of the respondents indicated that their pricing policies indirectly determined their firms' performance.

Wan-Rodi et al. (2013) postulated that pricing should be consistent with the population's income as to ensure sales. Both internal and external factors should be considered by Malaysian housing developers in pricing their products. They should analyze their markets and investigate current and competitive prices offered by their rivals because the housing industry is dominated by price-based competition (Abdul-Aziz et al. 2006). Malaysian housing developers should try to offer their products at reasonable and affordable prices in order to compete healthily and to sustain their market share. Respondent C, from Malacca, posited:

"Now, we are producing affordable houses priced less than RM200,000. The market is much bigger and getting better. Majority of Malaysians are earning between RM1,000 and RM3,000 per month. Houses below RM200,000 are still within their budget and capacity."

Needless to say, the determination of housing prices relies heavily on the demand and supply.

Reputation and Branding In truth, reputation and branding are interconnected in such a way that these attributes move in parallel to uphold the name of an organisation (Rahadi et al. 2013). Six out of ten respondents did acknowledge the importance of reputation and branding in shaping their success and competitive advantage in business development. The current Minister of Housing and Local Government, Datuk Abdul Rahman Dahlan, indicated that in order for housing developers to have competitive edge in the property market, they need to create strong brand names for themselves (Chong 2013).

In housing development, having a positive brand reputation offers a form of assurance that speaks to issues of product quality (Cretu & Brodie 2007). On this issue, respondent H remarked: *"...our solid reputation and brand may have attracted the interest of buyers to purchase our houses. I would say that most of them are our repeat and regular customers"*. This claim sees some support in a study by Banomyong and Supatn (2013), who indicated that as long as developers protect their customers' needs, they can maintain their reputation. Wai et al. (2012) suggested that maintaining a positive brand reputation could positively affect the sales of housing products.

However, in order to create a sterling reputation, Malaysian housing developers may take a number of measures, such as embracing corporate social responsibility and prioritizing on-time delivery (Jaafar et al. 2014; Yam & McGreal 2010). Suffice to say, reputation and branding will follow once these aforementioned measures have been attended to. In the case of housing development, homebuyers extol the virtues of developers that construct well-designed houses, completed their projects on time and support their products with after-sales service (Rahadi et al. 2013). Furthermore, Malaysian housing developers should endeavour to become household names in the field of property development; and this is done by meeting and exceeding customers' satisfaction and providing the highest value. Additionally, by building and sustaining a reputable track record of achievement, a strong brand presence throughout the country will be created; thereby become a necessary precursor for business expansion outside the local market.

The extensive literature review has revealed that majority of previous housing development studies worldwide had been focusing on other aspects of the housing industry,

such as the housing market and sustainability elements. Meanwhile, few studies have looked to identify the unique characteristics of housing products or their contribution to the success of housing firms. Furthermore, by conducting qualitative research, this study helps to enhance global knowledge of specific housing characteristics in explaining the competitive advantage of housing developers.

Previous studies of the Malaysian property development industry had revealed only limited numbers of characteristics and resources that have been used by Malaysian housing developers to sustain their presence in the industry (Abdul-Aziz et al. 2007; Jaafar et al. 2010). In order to better understand the characteristics of housing as a product, this study employed a qualitative approach through the use of semi-structured interviews. This study provides new insights into the strategies employed by successful industry practitioners, elucidating their secrets for remaining competitive in what might be considered a cutthroat market. Identifying this information will minimise the rate of failure among developers and help them to position themselves in unique market segments through the judicious identification of their product characteristics. Since these characteristics are industry-specific, the findings of this study are equally relevant and significant, if perhaps specific in the Malaysian context.

CONCLUSION

Notwithstanding the all-consuming profit motives, successful Malaysian private housing developers have impressively heeded the development of product characteristics. Based on the discussions above, this research has exposed new insights into how private housing developers perceive success in terms of housing attributes. First and foremost, housing quality is of paramount importance because it concerns customer satisfaction. Malaysian housing developers need to be committed in providing their potential purchasers with quality services in terms of cost effectiveness and workmanship. They should take the necessary initiatives and be steadfast in being innovative in the development processes by embracing product innovation; thus, giving rise to steady growth. They need to understand their products, how they look and how these influence the customers' perceptions. Project location as well as price played a vital role in determining the success of a housing development. Strategic location, easy accessibility and a range of comprehensive amenities are among the intangible factors that Malaysian housing developers perceive as being qualities that increase value of a project and that attract buyers' interests. Price is not the over-riding consideration, but rather quality and reputation. Reputation and branding are correlated and are what potential buyers look for in the Malaysian market.

It is hoped that the findings of this study will provide better information to the private housing developers regarding some of the novel ideas that are being used to restore the confidence of house buyers in terms of product development. Further studies, however, should aim to integrate the element of the development process with the product characteristics described in order to develop a greater customer-focus and achieve competitive advantages. More importantly, the findings presented in this study can be utilized by policy makers and other industry stakeholders to capture the attention of housing developers so as to be more effective in the future.

LIMITATIONS OF THE STUDY

The researcher had come across few obstacles in identifying successful housing developers to participate in the research. Even though there have been few criteria that were set guidelines to recognise them, the medium to approach the companies is rather vague. As a result, the

methods of reviewing their websites and directly calling the respondents were utilised. Fortunately, based on the companies' databases accumulated along the journey as well as good networking with industry players; a robust population of successful housing developers was spotted. However, only few of them were able to cooperate while majority of them were reluctant to participate due to personal and time constraints. These drawbacks are evidently the major limitations for the study.

As the research entails the approach of face-to face interviews, several weaknesses such as time restriction and researcher bias have been deciphered. Additionally, some interviewees are simply more difficult to interview, requiring a more concerted effort on the part of the researcher. Apart from that, since the interviews tend to be sidetracked with irrelevant sub-topics, the researcher had to keep a tighter rein on the discussion.

Finally, the fact that this study was conducted within the context of Malaysian views raises a question about the extent to which the findings will hold in other countries. Future studies need to address the question of whether the generalisation and difference between the result will affect the overall performance of global residential developers.

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