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ABSTRACT

Brands have been shown to create identity, and theories of branding are used to explain purchase decisions. The importance of consumers’ creation of identity through consumption has important implications for housing. While traditionally reflected as a rational economic decision, the real estate purchase decision has been shown to incorporate much more (Marsh & Gibb, 2011). Research, by Beer et al. (2007), showed that housing is increasingly being used both as a location for, and object of, higher level consumption.

Self-congruity theory proposes that consumers attempt to preserve or enhance their self-image by selecting brands with ‘images’ they believe are congruent with their own self-concepts and avoid brands that are not (Sirgy, 1981). This paper uses self-congruity theory to test the idea that the decision-making process of a ‘non’-branded product (housing) can be explained by a theory shown to describe purchase decisions of branded products. The results of this research provide those associated with the design, building and selling of residential property useful information on how consumers make housing purchase decisions and why.

The research surveyed consumers currently in the market to purchase a new residential property. Using a two-step structural equation modeling approach the data was analyzed using the AMOS software program. The global fit indices indicated a good model fit. \( \frac{x^2}{df} = 1.98 \), RMSEA = .08, CFI = .939. These indices indicate that self-congruity and functional congruity both had a direct relationship with intention to act, and functional congruity had an indirect relationship with intention to act through self-congruity.

Given these results the author suggests that this branding theory could be used to explain the purchase decisions of housing. These results are not surprising given the literature streams in marketing and housing disciplines. However, it provides an excellent starting point to investigate the consumption side of housing decision making further. This research shows that symbolic consumption is an important and significant part of consumers’ decision-making during property purchase therefore providing an extension to theory by developing these conclusions based upon empirical work.

References:
ABOUT THE AUTHOR
Melanie Eva Bruce has a PhD from Southern Cross University, Australia. She is currently an Assistant Professor at the University of Tennessee at Martin where she is developing her research in the area of identity and consumption.