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**FAMILY MEMBER INFLUENCE AND ITS IMPACT ON  
HOUSING PURCHASE DECISIONS**

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## **Abstract**

*Families and households make up a significant proportion of the real estate market. There is however little information in the real estate literature on the impact of family behaviour on real estate decisions. This paper clarifies some of these issues by analysing and expanding on many of the findings from the marketing literature, in particular the topic of influence between different family members in the purchase of a new home.*

*This paper presents some important issues to be considered when examining family decision making. These include the roles played by different family members and their influence at different stages of the decision making process. It also reports on the findings of a study involving a series of in-depth interviews with real estate agents to determine their perception of the family decision making process in relation to a house purchase decision. The paper then discusses the implications of these findings and that of the literature to the real estate market, including service, promotion and valuation.*

## **Introduction**

Much real estate study is based on neoclassical theory that assumes people make rational economic decisions with the purpose of maximising utility when purchasing real estate. Property is valued based on physical characteristics rather than more intangible nonfinancial factors which are often important to the purchasers of real estate (Smith, Garbarino, and Martini, 1992).

Little research is evident in the areas of residential real estate, with the exception of some studies relating to buyer search duration and location and tenure choice (Anglin, 1997; Baryla and Zumpano 1995; Elder and Zumpano, 1991). These studies however do not attempt to understand the dynamics relating to the decision making process within the family.

The study of consumer behaviour within the Marketing literature has examined many of these issues regarding the purchasing behaviour of consumers. The understanding gained by the outcome of research in this area can assist in a better understanding and prediction of decision makers' actions in the real estate market (Gibler and Nelson 1998). This paper discusses a number of these findings within the context of families and households.

Part one of the paper examines the extant literature relating to family member influence in the area of purchase decisions and the implications for real estate purchase decisions. Part two reports on a study involving a series of individual in-depth interviews with experienced real estate agents in the Auckland area. From this study, the final part of the paper presents two models of family decision making and how it relates to the real estate purchase decision. This is followed by a discussion of the implications to the marketing and valuation of real estate and explores possible avenues for future research.

## **Family and Family Decision Making**

In the study of consumer purchasing behaviour the family is considered a crucial decision making unit as the interaction and influence between family members are likely to be greater and more significant than those within other smaller groups, such

as friends or colleagues. A family is defined as “*a group of two or more persons related by blood, marriage or adoption, and residing together as a household*” (Lawson et al., 1996).

Past research in family decision-making has investigated the relative amount of influence exerted by husband and wife (e.g. Ferber and Lee, 1974; Haley et al., 1975), and their influences at each stage of the decision making process (e.g. Davis, 1970, 1971). More recent research has included the influence of children (e.g. Beatty and Talpade, 1994; Na, Son and Marshall, 1998; Lee and Marshall, 1998), who are considered as important players in family decision making, both directly and indirectly.

Influence has been defined as something that “*is inferred when one person acts in such a way as to change the behaviour of another in some intended manner*” (Cartwright 1959). Thus influence involves actions by family members that make a difference during the decision process (Beatty and Talpade 1994). It is important to distinguish the difference between direct and indirect influence. Direct influence represents an “*active role based directly on the decision maker’s own needs, and indirect influence represents a passive role in which the decision maker takes another family member’s needs indirectly into account*” (Rossiter, 1978).

The differences in the influence structure during the family decision making process is dependent on a number of factors. These are:

- *Product characteristics*, for example, research has noted that wives are more dominant when purchasing children’s clothing and household appliances, and husbands are more dominant when purchasing lawnmowers, and the decision tends to be more joint when purchasing vacations (Davis and Rigaux, 1974). (This characteristic is not discussed in this paper, as the objective is to examine the influence structure of families in the purchase of real estate.)
- *Family characteristics*, which include the family life cycle, social class, sex-role orientation and culture. These aspects are discussed in the next section of this paper, before we examine the roles played across the decision making process.
- *Situational characteristics*, which include the concept of perceived risk and time pressure. Sheth (1974) suggest that the higher the risk perceived in a particular purchase decision the more likely it is for the decision to be joint. But, the greater the time pressure on a family to make a decision the more likely it is for the decision to be an individual decision.
- *Individual Characteristics* many consumer purchasing decisions are made within a family unit, which is basically a small group of individuals, who have different personalities, preferences, interests, and tastes. Therefore when a group of individuals come together to make a decision, it is inevitable that conflict could occasionally occur, which would require some form of conflict resolution (Sheth, 1974). Conflict, no matter how mild, occurs when there is a disagreement among the family members, and this is directly related to the desire to influence other members to accept one's own point of view. (The idea of using different decision strategies in resolving conflicts is discussed later in the paper.) The important thought to highlight here is to raise the point that conflicts or disagreement can occur because of individual differences among the group members. For example, the man may have a strong preference for a house in the central city area, while the

woman prefers one that is out in the suburbs with a bigger yard. Both partners will attempt to influence the other, and the family will need to reach a compromise. The amount of influence exerted by different family members is also dependent on how interested or involved the individual member is in the purchase. For example, if the woman in the household has an enduring involvement in properties, such that she reads all the news and articles and keeps current with all the issues related to the property market, it is quite possible that she will have most influence in the housing decision.

### ***Family Characteristics***

#### *The family life cycle*

The family life cycle describes the changes that occur in family and household structures as they change over time. The assumption is made that families pass through an orderly progression of stages, each with its own characteristics, financial situations and purchasing patterns. Thus it is a useful tool to identify household segments with similar demographic and family structure that share similar needs with respect to household related problems and purchases.

At each stage of the family life cycle the number of family members, age and working and income status are different. Families at different life cycle stages may have different interaction patterns with other family members and use different communication strategies. Foxman et al. (1989) suggest that “*families in greater agreement had older fathers, a concept-oriented family communication style, fewer children, and another who worked fewer hours outside the home*”.

The postponement of marriage and rising divorce rates has given rise to a new family structure. These new structures include smaller family sizes (the nuclear family) and single-parent families (Lawson et al., 1996). However, it is not clear what difference these new family structures may have on the influence of children.

#### *Social class*

Participation in the family decision making process not only vary with the degree to which the family member or members are involved in the direct usage of the product, it also varies by social class (Granbois, 1963, 1971; Komarvoski, 1961; Slama and Taschian, 1985). The results of past studies indicate less joint decision making in upper and lower socioeconomic groups (Granbois, 1963; Komarvoski, 1961). Granbois (1971), however, found the lower the family income and the greater the cost of the product or service being considered, the greater the tendency for two or more family members to be involved in the decision making process.

#### *Culture*

There is a limited number of cross-cultural studies on family decision making, but the few which exist suggest that there are differences in influence patterns between cultures (e.g. Hampel, 1974; Lee, Brown and Wong, 1997; Pervan and Lee, 1998). For example, while Chinese parents allow their children to voice their opinions in decisions regarding schooling and restaurants meals, they tend to control how a decision should be made (Lee, Brown and Wong, 1997; Pervan and Lee, 1998). However, Hempel’s (1974, 1975) study on housing decisions, found little differences in the decision making process between cultures. The author suggests the differences between roles were greater within cultures (in terms of family size, attitudes towards

previous residence, stage of the family life cycle and socioeconomic factors) than between cultures.

### *Sex-Role Orientation*

Sex-role orientation (SRO) is a theoretical construct that is used to identify different types of families, based on their family ideology (Qualls, 1987), as being either contemporary (modern) or conservative (traditional). This is a reflection of a family's attitude toward roles played by husbands and wives. A family with a contemporary SRO usually has a more democratic influence structure, and display a more positive interaction during their decision making process (Brinberg and Schwenk, 1981). In the more traditional families, however, the roles played are more gender specific, with a clear distinction between feminine and masculine type roles. Further, the husbands tend to dominate the decision making process (Green and Cunningham, 1975).

### *Stages in the Decision Making Process*

It is well documented that the decision making process follows a number of stages, although there has been little consensus on the number of stages an individual goes through before making a final choice (Lee and Marshall 1998). Studies using self-reports have included three stages (Davis and Rigaux, 1974), four stages (Mochis and Mitchell, 1986) and nine stages (Woodside and Motes, 1979). For the purpose of this study a four-stage approach was considered. These stages are Problem Recognition, Search, Evaluation of Alternatives and Final choice. The problem recognition stage is when a member or members of a family recognises that there is a problem that needs to be solved. For example, a couple expecting their third child may realise that they need a bigger house since their current home has only three bedrooms and no family room. It could be the wife who highlights the problem, as she could be the person who is always looking for space to store the children's toys. Then comes the stage where the couple starts searching for a house. In this case, one member of the household may be more involved in the search for information. There could be several reasons for this, for example, that family member may have more time to look at different open homes, or may have generally more interest in real estate. The third stage is called alternative evaluation, where interested members of the family evaluate their different options to make a final decision. Following the same example, the couple evaluates the different houses they have inspected, each family member has his or her own views and own preferences. It is at this stage of the negotiation, that some form of conflict could arise which may require the need for conflict resolution and different influence strategies may be used to gain influence. The last stage is when the family makes the final choice, that is, the couple makes an offer to purchase the house they have both agreed upon. Again either couple could have more influence at this stage. Although much previous research assumes that the decision making process occur in a linear, step by step process, others (e.g. Fisher, 1970; Gersick, 1988; Lee, 1998) have suggested that the process could be non-linear, but could proceed in iterative cycles.

### *Roles*

The stages in the decision making process are usually linked to the decision making roles. An understanding of this linkage could enable the real estate agent to monitor more effectively the information requirements of the individuals as well as to identify the key members in the family throughout the process (Assael, 1987) These roles include:

- The “*initiator*” who recognises the problem or need for an item.

- The “*influencer*” who exerts personal influence on other family members with regard to a particular purchase situation.
- The “*information gatherer*”, the individual or individuals who assembles the information related to a possible purchase.
- The “*gatekeeper*” who controls the flow of information to other family members
- The “*decision maker*” who has the authority to make the buying decision, and finally
- The “*purchaser*” who acts physically to complete the purchase process.

Past studies (e.g. Davis, 1971; Davis and Rigaux, 1974; Woodside and Motes, 1979; Assael, 1987) have noted that role specialisation occurs in many family purchase decisions. Husbands tend to specialise in *instrumental* roles, which means that he has most influence in decisions which are related to the functional<sup>1</sup> or economic aspects of the decision, e.g. maintenance, finance, location, structure. Wives, on the other hand, tend to take on *expressive* roles, which relate to the aesthetic and emotional needs of the family. Thus wives would have most influence over decisions relating to colour and design, or flow of the house, or the needs of the children regarding play areas, location of the school, or other social activities. In order to identify if a role is instrumental or expressive, one can examine the motivation behind the decision criteria. For example, both husband (instrumental role) and the wife (expressive role) may have location and flow of the house as important criteria when looking for a family home. However, their motivation for choosing the right location and the right flow could be different, the husband could be concerned about the resale value, cost of maintenance, while the wife could be taking into the needs of the family.

Engel, Blackwell and Miniard (1986) suggest that there is a blurring of roles played by husbands and wives because of the changes in the roles and occupations of men and women in society.

### ***Influence Strategies***

Family conflict in most group decisions is highly probable, considering that a joint decision involves a combination of individual preferences of multiple family members (Sheth, 1974). Researchers have used different terminology to classify the different types of decision strategies used to influence the decision making process (e.g. Davis, 1976; Sheth, 1974; Spiro, 1983; Qualls and Jaffe, 1992). The following notes the different strategies used to influence a family decision and is based on a review of the literature (Lee and Collins, forthcoming).

- *Experience* - Using experience and knowledge as a source of information that will influence the outcome of the decision.
- *Legitimate* - Emphasising a role stereotype in order to obtain influence. For example, a mother may assume or point out that she is the one who deals with the provision of food and therefore should dominate this decision. This approach might also involve a controller or specialist taking charge in a stereotypical manner.
- *Coalition* - Two or more members of the family decision-making unit collude in order to obtain a particular outcome

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<sup>1</sup> As it relates to physical aspects rather than the how it works for the family living together.

- *Emotion* - A member of the decision-making unit tries to persuade or dominate others by using emotive appeals, crying, pouting and other non-verbal techniques in order to achieve influence.
- *Bargaining* - Giving in on this occasion in return for getting their way on some other occasion.

### ***Influence of Children in the Family Decision-Making Process***

Much of the research into the area of family decision making has focused on the interaction of the marital partners. The influence of children was considered to be limited to a few minor product categories such as food and toys (Spiro, 1983), although more recent studies have found that in some situations the influence by children is in fact greater than the influence exerted by their parents (Ward and Wackman, 1972; Szybillo and Sosanie, 1977; Foxman and Tansuhaj, 1988; Lee and Collins, forthcoming).

The outcome of previous studies indicate that the extent of children's influence varies depending upon five different factors (Atkin, 1978; Beatty and Talpade, 1994; Berey and Pollay, 1968; Carison and Grossbart, 1988; Davis 1970; Foxman et al. 1989; Jenkins, 1979; Lee and Beatty, under review; Lee and Collins, forthcoming; Roberts et al., 1981; Szybillo and Sosanie, 1977; Ward and Wackman, 1972):

- The stages of the decision making process
- The type of product or service
- The demographics of the family structure
  - The age/s of the child/ren
  - The gender of the child/ren
  - The birth order of the child/ren
- Sex-role orientation
  - The parental role in the child/ren's socialisation
- The persuasion strategy used within the family

### ***Stages in the Decision Making Process and Type of Product or Service***

The degree of involvement in the decision making process tends to affect a person's influence in the decision making process. Studies indicate that individual family member's input may vary depending on the different stages of the decision making process and also depending on the product type (Ward and Wackman, 1973; Davis and Rigaux, 1974; Haley, Overholser and Associates, 1975; Szybillo and Sosanie, 1977). The degree of involvement depends on whether the person has *direct* or *indirect* influence (Haley, Overholser and Associates, 1975).

A number of research findings indicate that children have a significant influence in the purchase of products for which they are the primary consumers, such as food, toys, children's clothes and school supplies (Atkin, 1978; Foxman and Tanuhaj, 1988, Foxman et al, 1989; Jenkins, 1979). They also have a significant influence on the purchase of leisure activities or where the purchase decision has a personal relevance to the child (Szybillo and Sosanie, 1977). In contrast, children have less influence on decision making for products that are used by the entire family, especially for high cost products, such as cars, furniture and life assurance (Foxman and Tansuhaj, 1988). This may be explained by the fact that parents are likely to restrict children's involvement and also that the children may be less motivated to participate in the

decision making process as the product is not personally relevant to them (Mangleburg, 1990).

The research also indicates that the different stages of the buying decision may affect the degree of a child's influence. In general, studies have concluded that children's influence in the buying decision making process will be greatest at the problem recognition stage and declines significantly at the choice stage. Lee and Beatty (Under Review) however concluded that adolescents have less influence relative to their parents at the earlier stages, and more influence at the outcome or final stage. The conclusions of these studies may vary according to the range of products under examination (Mangleburg, 1990).

Researchers have also concluded that children's influence also varies depending on the purchasing sub-decision. Studies have found that children's influence is at its lowest when considering "where to buy", the "gathering of information" and "how much to spend", they are however more influential at decisions regarding "colour", "make/model" and brand choices (Mangleberg, 1990).

#### *Demographics of the Family Structure*

Household income/social class has also been identified as affecting children's influence in family buying decisions.. Children's influence tends to be greater with higher family income (Beatty and Talpade, 1994; Jenkins, 1979; Moschis and Mitchell, 1981). However, children's influence does not increase with their own financial resources (Beatty and Talpade, 1994). Other research (Lee and Beatty (Under review) found that the greater the mother's income contribution to the family or her working status, the more influence she will have in the decision regarding the choice of restaurant for a family meal. Other research however, that found no significant relationship between a parent's socio-economic status and children's influence (Atkin, 1978).

#### *Age, gender and birth order of children*

The number and gender of children in the family can also affect the individual child's influence in family decision making, Lee and Collins (Forthcoming) conclude that the elder daughter in a family appears to form a coalition with the father when there is conflict in the family decision-making process, this coalition will be weakened however, when there are two daughters in the family.

The *age of a child* will also affect their influence in family decision-making. Studies have concluded that the older the child the less influence attempts they will make (Ward and Wackman, 1972), however, they tend to have a greater success when making attempts to influence (Atkin, 1978; Jenkins, 1979; Ward and Wackman, 1972).

The *gender of a child* also plays a significant role in family decision-making, in general, daughters make more requests for products and are more influential in family decision making than sons (Atkin, 1978; Lee and Collins (Forthcoming). Elder daughters will have more influence than elder sons during the negotiation stage (Lee and Collins (Forthcoming)). There is also evidence that the birth-order of a child will affect a child's influence within a family (Lee and Collins, Forthcoming)).



### *Sex Role Orientation*

Studies have found that children with child-centred mothers have less influence (Berey and Pollay, 1968). More traditional and conservative mothers also limit the involvement and influence of their children in buying decisions (Roberts et al., 1981). However, if traditional mothers have careers, the adolescents have more influence in the decision making process (Lee and Beatty, Under Review).

Parents are the primary socialisation agents for their children and help them acquire skills, knowledge and attitudes relevant to their functioning in the market place (Carlson and Grossbart, 1988). Carson and Grossbart (1988) concluded that parental styles have a direct affect on the amount of influence a child has in family decision making. For example authoritarian parents seek a high level of control over their children and authoritative parents foster a balance of rights between the parents and the child as the child develops.

### *Influence Strategies used by Children*

As with all joint decision making there will not always be immediate consensus between family members as to the best choice outcome surrounding a decision. There is a hiatus in the literature relating to strategies used by children to resolve conflict and increase their influence on family buying decisions. Other than the types of influence strategies noted in p5, the following three strategies have been suggested to be commonly used by children to increase their influence in the decision making process:

- *Persuasion Strategies* focus on a unilateral gain for the persuader rather than mutual gain for everyone involved. There are three types of persuasion strategies often used by adolescents; persistence, begging and whining. Studies have also highlighted the use of manipulation tactics to achieve their goals (Palan and Wilkes, 1997).
- *Emotional Strategies* are used directly or indirectly with the intention to influence other family members in the buying decision making process. Adolescents have been found to use such methods as crying, pouting, withdrawing, giving the silent treatment, anger, and the use of “guilt trips” (Lee and Collins, forthcoming; Palan and Wilkes, 1997).
- *Request Strategies* are when children simply ask for something (Atkin, 1978; Ward and Wackman, 1972).
- *Coalitions* are formed between different members of the family to gain influence. While some researchers suggest that children tend to be coalition members used by one parent against the other (Lee and Collins, forthcoming; Scanzoni and Szinovacz, 1980), others (e.g. Vuchinich, Emery and Cassidy, 1988) note that parents are more likely to take sides with the other parent than with the children.

The literature outlined above highlights the important role children play in the family decision-making process, the findings however, are limited to a small range of products which may not parallel the decision making process for residential real

estate. However, the findings reported in this study should provide an impetus for the study of consumer behaviour in a real estate context.

### **Research Approach**

The focus of this study is to determine whether the extant literature relating to family decision making and family member influence mirror the decision making process in the purchase of a family home.

Much research has cast doubt on the accuracy of self-reports and questionnaires in determining influence in the family decision making process (e.g. Burns, 1971; Davis, 1971; Douglas and Wind, 1978; Lee and Marshall 1993, 1998; Spiro, 1983). As a consequence, a qualitative research approach was selected as the most appropriate methodology in identifying factors from the literature that may be applicable to the real estate environment (Yin, 1989; Bonoma, 1985). In-depth interviews were selected in order to encourage interviewees to speak openly and frankly and also to allow the interviewer to explore different areas with a large degree of freedom. This approach concurs with the recommendations of Anastas (1988) who suggests that in-depth interviews should be utilised in situations of sensitive subject matter and complex decision-making processes. Several other advantages of this type of interview include the encouragement of personal thought, maintenance and attentiveness of respondents to questions and the interviewer's consequent ability to sense non-verbal feedback (Sokolow, 1985).

The interviews were carried out by one of the authors and once completed each interview was transcribed and independently examined and audited by both authors. This audit included an examination of the transcripts to identify the main issues highlighted by the interviewees in order to assist in a deeper understanding of the family decision making process and how it may work in the light of the purchase of a family home.

### *Research design*

The research design took the following three steps:

- (1) The compilation of a framework of family decision making was constructed based on the consumer behaviour literature.
- (2) The carrying out of in-depth interviews to identify how real estate agents perceive the decision making process for the family home and in particular the influence of individual family members.
- (3) The development of a revised framework for family decision making incorporating interview results.

### *Initial Model Compilation*

Figure I, sets out the initial model as distilled from the consumer behaviour literature. Three characteristics were identified as being important to the decision making process and the influence of different members of the group. These characteristics were identified as family characteristics, individual characteristics and situational characteristics. The model suggests that these work together to help determine which members will exert a direct and indirect influence on the group decision making process. The model also acknowledges that influence of each member will relate to different roles and thus stages in the decision making process.

*Data collection*

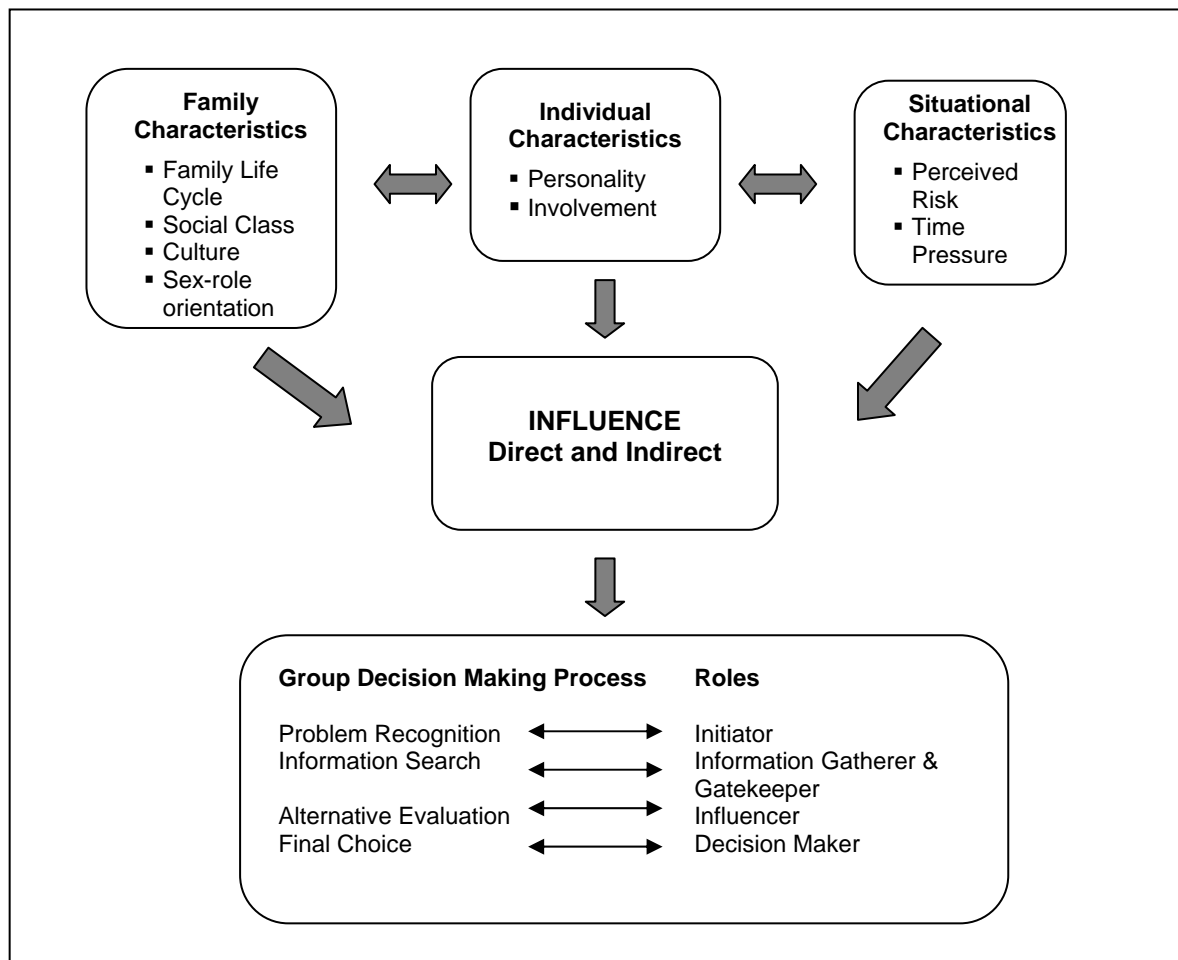
Nine real estate agents participated in this study. Each real estate agent had in excess of two years experience in the selling of residential real estate in the Auckland area. Real estate agents were chosen for this study as they provide an objective, expert opinion based on observation and experience thus distilling information relating to the decision making process of many families. The makeup of interviewees by gender, ethnicity and the socio-economic grouping of the area they work in, is set out in Table I.

*Table I, Make-up of Interviewees*

|                                |   |                  |   |
|--------------------------------|---|------------------|---|
| <b>Gender</b>                  |   | <b>Ethnicity</b> |   |
| Male                           | 4 | Caucasian        | 5 |
| Female                         | 5 | Polynesian/Maori | 1 |
| <b>Socio-economic grouping</b> |   | Oriental/Asian   |   |
| Higher                         | 6 |                  | 3 |
| Lower                          | 3 |                  |   |

*Framework of family decision making as it relates to the purchase of a family home*

*Figure I*



### ***Summary of Findings***

The main issues affecting the decision making process of each of the family members are categorised as follows:

- (a) Roles and stages in the decision making process
- (b) Class differences
- (c) Cultural differences
- (d) Children's influence

### ***Roles and stages in the decision making process***

Table II summarises the results of the interviews. As demonstrated the roles played by each of the family members can be related to the stages in the group decision making process. It was also evident from the study the different stages in the process were associated with different aspects of the real estate decision.

### ***Stages in the Decision Making Process***

Whereas the initial model illustrated in Figure I contained four main stages in the decision making process. The results of the interviews reflected the complex nature of the family decision making process in relation to the purchase of the family home and introduces an additional stage to the typical family decision-making literature, being the product specification stage. Thus the five stages identified by the real estate agents were as follows:

- Problem Recognition
- Product Specification
- Information Search
- Alternative Evaluation
- Final Choice

The study identified the problem recognition stage as being the first stage in the process of purchasing of a family home, this mirrors the outcome of the consumer behaviour literature. Problem recognition within the family home context is when changes in family circumstances require the family to seek alternative accommodation.

The Product specification stage follows on from problem recognition can be likened to that identified in the industrial buying decision literature. This stage can be described as "*determination of product characteristics*" and "*description of product characteristics*" (Robinson, Faris and Wind, 1967), or the "formation of decision participants preferences" or "choice criteria" (Sheth, 1973; Webster and Wind, 1972). At this stage, the family members specify the attributes of their new home, the price range they are prepared to pay and the general location of the property.

Once the family has identified the main criteria of their search, information is sought in order to locate possible alternatives. The study identified a number of actions undertaken by members of the family, these include an initial inquiry to a real estate agent, keeping in contact with that agent and/or a number of agents, inspecting properties and gathering information from a variety of other available sources.

This information gathering stage is then followed by the evaluation of alternatives. From the study, the main action taken by the family at this stage is the inspection of alternative properties until a suitable home is found. This stage is followed by Final choice, which includes the negotiation of the price and contract and the purchase of the property. Figure 2 sets out this process in more detail and includes the concept of favourable and unfavourable outcomes to the different stages of the process.

### *Roles*

The roles of the individuals in the decision making group can be best understood when related to the decision making process. As the decision making process progresses, different roles are played out by different members of the family. In the problem recognition stage an initiator will become apparent. The interviews suggested that the woman would be more dominant in this role especially in the case of a family with young children, where the mother recognises the changing needs of the family. The influence exerted by the man may prevail in cases where he feels the home is too big or requires too much maintenance. In the case of couples with no children and in particular when embarking on the purchase of a first home there may be equal influence from both parties. These results indicate that the family life cycle is an important factor in determining who influences and how they influence the decision at this stage. The reason for this may be because the couple has not yet taken up individual roles (Filiatraut and Ritchie, 1980), but also may reflect the high perceived risk of purchasing a first home, especially when neither partner has had experience in such a purchase previously. The interviews also suggest that even in this early part of the decision making process the wife plays a more expressive role when determining the requirements of a home, she is taking into account the emotional needs of the family. The husband, however tends to take a more instrumental role. These differences are demonstrated further in the next phases of the decision making process.

In the product specification stage, the man, woman, children and stakeholder will be involved in determining the main requirements of the house, general location and price range. At this phase evidence seems to suggest that the man has more influence in determining the general location of the property, issues that seem to be important to him at this stage are the prestige to be gained by the property and the resale value. Both parents will be equally as influential in the location decision when closeness to a certain school is their priority

The bank or financier may be the person that will determine how much a family will be able to pay for a property, this is especially prevalent for families of lower socio-economic status. There is evidence to show that the main income earner (usually the man) will be more dominant in determining how much the family will put aside for the purchase of the home. The concept of the main income earner determining the amount to be spent endorses the concept of the resource contribution theory (Blood and Wolfe, 1960). This theory proposes that the influence over decisions comes from the resources the individual can provide to meet the need of the other partner, and reflects the results of previous research (e.g. Lee and Beatty, under review; Strober and Weinberg, 1977; Weinberg and Winer, 1983). There were circumstances however where the wife is the person keeping track of the family's finances and in these situations the decision would be a more democratic one.

When determining the main physical requirements of the house, men and women tend to take on different roles. Women will be more concerned with issues relating to how the family will function in the home. For example women with young families tend to be more concerned with the functional aspects of the kitchen, for example if it is big enough or, if she can see the play area. However if the man is the main cook (especially evident in higher socio-economic families where both partners work) he may also be interested in the kitchen from a functional aspect of cooking. Men in general are more concerned with attributes such as a double garage and workshop. Children, at this stage, may also have a direct influence, requesting space of their own or a location near to their friends. They may also hold a substantial amount of indirect influence as parents will be anticipating their needs thus reflecting such attributes as the number of bedrooms they require, the closeness to schools and a safe and secure play area.

The phase of information search seems to reflect families' socio-economic status and sex role orientation. Evidence suggests that in families of higher socio-economic status, where the woman is not working, she will take on the role of information gatherer and gatekeeper. She will make the initial inquiry to the real estate agent and become the main point of contact; she will also make an initial inspection of the property. In lower socio-economic families the partner undertaking this role will depend on the time available to the individual partners. There is an overall trend of increased male participation in this role, which has been encouraged by the growing number of open homes making inspections more accessible to both partners.

The alternative evaluation stage includes subsequent inspections of the property, here there is the opportunity for group members to influence the final decision. At this stage both parties will inspect the property. Children may also play a direct role, their ability to influence the decision seems to depend on their family's socio-economic status and also cultural background and age of children, with children from families purchasing more expensive homes having more say in the purchase of the home. Children from Asian families tend to be more influential in the decision than families from Caucasian backgrounds. The age group of the children will also affect how much direct influence they bear on the decision. Children over 15 years may not find time to inspect the property due to "a hectic social life" and the fact that they consider the family home as only short term accommodation before they move to their own residence. Children from approximately 9 to 15 years will have the greatest impact and although they will most likely be overruled if the parents are keen on buying a property. However, parents may be prepared to enter into a bargaining situation with them to keep them happy for example "once we have bought the property we will see about putting a swimming pool in".

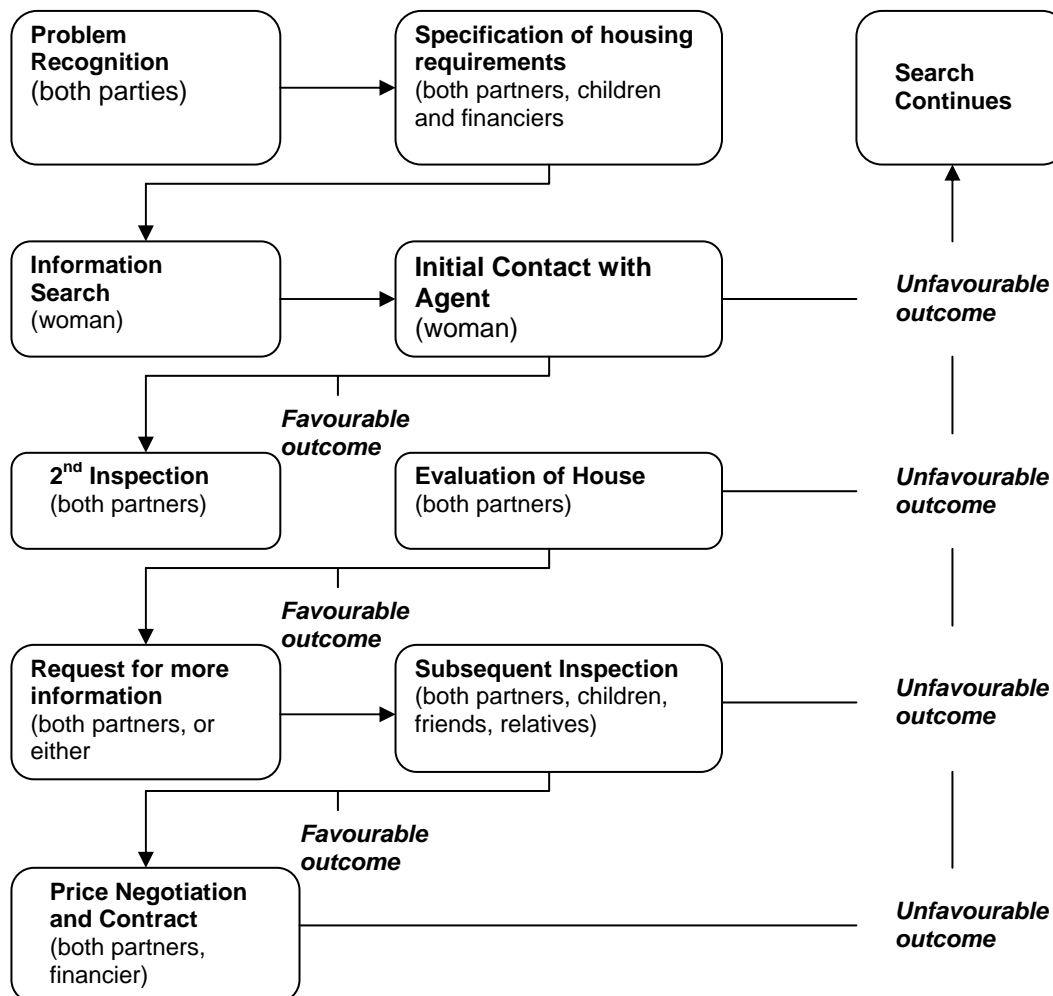
The alternative evaluation stage in many cases introduces family and friends into the process. These players are more influential in Pacific Island and Asian families, with Caucasian families being more independent in their decision making. The study also indicated that families of couples purchasing their first home are influential at this stage of the process.

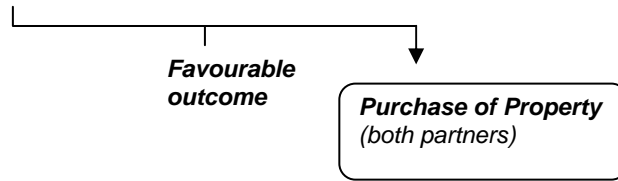
The final stage of the process includes the negotiation of the price, the terms and the purchase of the property, the players influencing this stage of the process will include both partners. Overall the final choice will be a joint decision and in most cases both

partners will have to sign the sale and purchase agreement. There may be situations where one spouse may be pushing for a close more than the other partner and this will tend to be the one liking the home more or with the personality to push the purchase through. There is evidence to suggest that in some families the partner with the most influence at this stage will be the one who is the main income earner or the one who has collected and assimilated the most information about the market and comparable properties. Another influential player at this stage will be the person financing the purchase, as they will need to approve the loan required to complete the deal.

Overall however, the study suggests that either husband or wife may be dominant depending on a number of family, individual and situational characteristics as set out in figure 3. This tends to support Engel, Blackwell and Miniard's (1986) contention that there is a blurring of role specialisations between males and females.

*Role Players and the Family Decision Process when Purchasing a Family Home*  
Figure 2





### ***Class differences***

The interviews suggest that there are a number of class differences that affect which partner may be more dominant in the decision making process. In the case of the upper/upper middle class, wives do not work and thus have more time. They therefore tend to take up the role of information gatherer and gatekeeper. In these families however, the husband has a strong final say. In these families it was also evident that the more the family were to the upper end of the social class the less likely it was for the children to be involved in the decision making process.

These findings were very similar for the lower/lower middle class scenario with the wife being the information gatherer and gatekeeper and the husband making the final decision. In the middle class category however the decisions tended to be more joint and the children more strongly involved in the whole process. An interesting finding here was the strong influence of the extended family especially in Poynesian/Maori families.

### ***Cultural differences***

Cultural differences were also reflected in the interview transcripts. In the case of Asian families the woman was very much a powerful “behind the scenes” influence, whereas the husband acts more of the “front man” dealing with all of the negotiations. Another aspect of these families was the importance of the views and opinions of family and friends. Children also have a strong influence in these families.

### ***Children’s influence***

The influence of children in the family house purchase is of great importance both from a direct and an indirect viewpoint. From an indirect viewpoint, their needs as perceived by their parents form important criterion for the choice of a house, for example, how many bedrooms, location close to a school, safe environment, near to a bus stop and size of the yard. Directly their influence will depend on age, interviewees suggested that children from about the age of 8 or 9 to about 15 will have the most influence, they will be looking for a bedroom of a decent size and being close to their friends. Children below this age will normally love to move to a new house and in most cases tend to endorse their parent’s decision. Older children, in many cases are beginning to distance themselves from the family and are thus less interested in the home and may not influence the decision. An interesting observation from one real estate agent was the influence of a very young child can have in the Chinese families: “they like to bring a small child under 5, they say that if the child going into the house is always crying they will give it up...”

### **Summary and Conclusions**

This study has allowed for an insight into the family decision making process relating to the purchase of a family home. By analysing the extant consumer behaviour literature an initial framework was devised which through the input of a number of in-



depth interviews was revised to create a more accurate depiction of the process. Figure 3 illustrates this framework and highlights the inclusion of the product specification stage thus reflecting the complex nature of the house purchase decision. This complexity encourages the family to specify their choice criteria for their search which reflects more of the industrial decision making process.

As with other family decision making situations, situational characteristics, individual characteristics and family characteristics are instrumental in determining the role and influence of each family member. This study highlights the importance of sex role orientation, family life cycle, culture, socio-economic status, personality and involvement. The study also indicates that with current societal changes family roles may be in a stage of transition and roles that have been predominantly the domain of the man or woman of the household may be blurring.

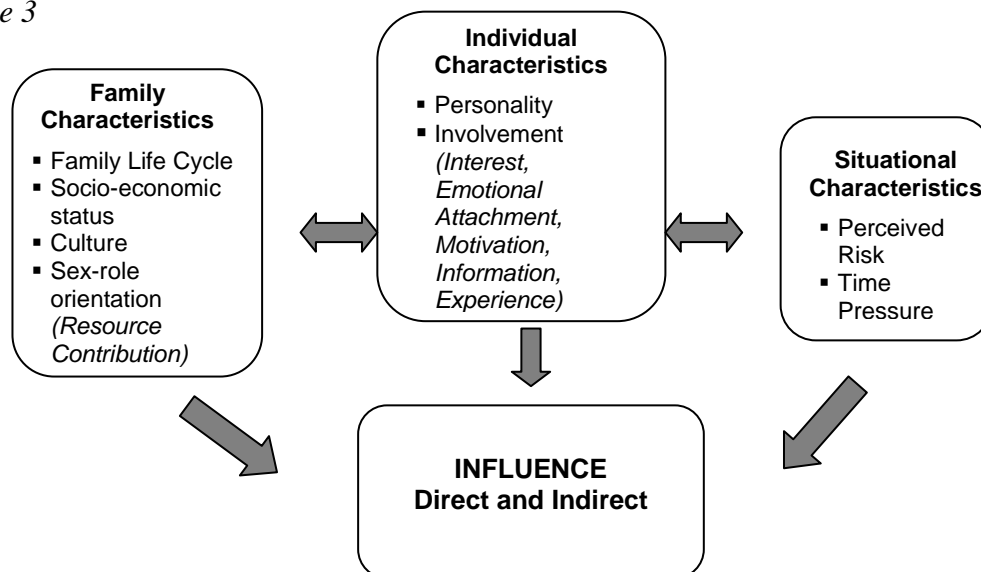
It is vital that real estate agents are aware of the different family members influencing the decision directly or indirectly and the importance of the children within the process. They need to be aware of the individual preferences of the decision makers and the difference between the expressive and instrumental roles. It is also important to understand the changing societal makeup and agents must not make assumptions about the role of each of the members.

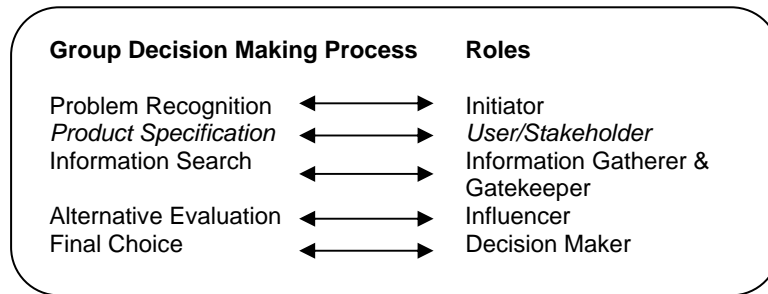
Valuers should also be aware of the roles, preferences and influence of each family member and how families make decisions. In particular they need to know what attributes of a building are important to the family and why. Gaining a deeper understanding of family purchasing behaviour will enable them to more fully understand the value of different family homes to different cultures and different socio-economic groupings.

This study enables academics to start understanding the behaviour of the purchasers of family homes within the residential real estate market. There are a number of limitations to the study, the main one being the interviewing of real estate agents only. To gain a deeper and more accurate framework academics should now collect data from families involved in the decision making process.

*Revised Framework of Family Decision Making in the purchase of a family Home*

Figure 3





*Table II*  
*Summary of interviews*

| General Model  |                               | Real Estate Decision Process  | Group Decision Member's Role and Direct Influence Structure  | Family member's indirect influence  | Factors Affecting Influence  |
|--|-------------------------------|---|--|---|--|
| Group Decision Process                                   | Roles and Influence Structure |   |  |   |  |
| Problem Recognition ↔ Initiator                          |                               | <ul style="list-style-type: none"> <li>Whether to purchase a family home</li> </ul>   | <p><b>Woman</b> more predominant especially with young family<br/>Affected more by the way the house fulfils the emotional and functional needs of the family</p> <p><b>Man</b> more predominant in older couples considers more the practical aspects of the home ie. too much maintenance.</p> <p><b>Both</b> more predominant when no children and in particular in the purchase of the first home.</p>   | <p><b>Children</b>, taking into account the changing needs of the children)</p>   | <p><b>Family Characteristics</b><br/>Stage of life cycle<br/>Experience<br/>Sex Role Orientation</p>   |
| Product Specification ↔ User/stakeholder                 |                               | <ul style="list-style-type: none"> <li>General location</li> <li>Price Range</li> <li>Main Attributes</li> </ul>  | <p><b>Bank/Financial consultant</b> may be required to assess price range and suitability of properties. Seems to be more prevalent in families of lower socio-economic status.</p> <p><b>Man</b> seems to have more influence in determining the general area of the property, associated with prestige and resale value.<br/>When main income earner.</p> <p><b>Both</b> when parents see closeness to school is a priority.</p> <p><b>Woman</b> more concerned about issues relating to how the family will live in the house, whereas<br/>Man more concerned with practical aspects such as structure materials maintenance, resale value etc.</p> <p><b>Children</b> will voice their requirements e.g. younger children will want a tree in the garden to climb, older children will want their own space and be close to their friends (direct influence)</p> | <p>Woman for more<br/><b>Children's</b> specific needs e.g. number of bedrooms, play area etc.<br/>(Indirect influence)</p> | <p><b>Individual Characteristics</b><br/>Gender (women more expressive roles, men more instrumental roles)</p> <p><b>Family Characteristics</b><br/>Sex Role Orientation including resource contribution</p> |
| Information Search ↔ Information Gatherer and Gatekeeper |                               | <ul style="list-style-type: none"> <li>Information gathering about properties on the market</li> <li>Point of contact with real estate agent</li> <li>First inspection</li> </ul> | <p><b>Woman</b> when not working, especially in higher socio-economic families</p> <p><b>Either</b> (tending towards the woman) in lower socio-economic families, depends on the time available to the individual partners. Male participation on the increase.</p> <p>Open homes have encouraged more joint inspections</p>   | <p><b>Children</b> will again have indirect influence in parents anticipating their requirements</p>                        | <p><b>Family Characteristics</b><br/>Socio-economic status<br/>Sex Role Orientation</p>  |
| Alternative Evaluation ↔ Influencer                      |                               | <ul style="list-style-type: none"> <li>Subsequent Inspections of the Property</li> </ul>  | <p><b>Both</b> partners will inspect the property at this time</p> <p><b>Children</b> may then be introduced to the property at this stage.<br/>Over 15 year olds may not find the time to come as they have a hectic social life and see the family home as short-term accommodation.<br/>Children more influence in higher price range.<br/>Children more influential in Asian families.</p> <p><b>Family and Friends</b> may also be introduced at this stage.<br/>Family and relatives more influential in Pacific Island and Asian families, Caucasian families more independent.<br/>Family more influence in first home purchase.</p>   | <p><b>Children,s</b> needs taken into account</p>   | <p><b>Family Characteristics</b><br/>Socio-economic status<br/>Family Life Cycle (age of children)<br/>Culture</p>   |

|                                       |   |  |  |  |
|---------------------------------------|---|--|--|--|
| <p>Final Choice ←→ Decision Maker</p> | <ul style="list-style-type: none"> <li>• Negotiation of Price and Purchase of the property</li> </ul> | <p><b>Financier</b> will need to approve the deal and thus influence price and suitability of property<br/> <b>Both</b> partners must agree to buy<br/> <b>Either or Both</b><br/> The spouse liking the home more will be pushing more for the purchase.<br/> <b>Either</b>, the personality of the partner will determine who pushes the deal through more.<br/> <b>Either</b> – the main income earner or the one who has the most information about the market</p> |  | <p><b>Individual Characteristics</b><br/> Personality<br/> Information<br/> Involvement (emotional attachment)<br/> Sex Role Orientation</p> |
|---------------------------------------|---|--|--|--|

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