10th Annual Waikato Management School
Student Research Conference

Programme/Papers

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When you click on the highlighted title of a paper it (Adobe Acrobat format) will open in a separate screen.

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Friday, 20th October, 2006

Opening and Plenary - MSB.1.01
Prof Karen Van Peursem & AProf Debashish Munshi

Asad Moshin

Tourism Management - MSB.1.02
Chair: Dr Asad Moshin

Session 1a

GREG WILSON - Waikato Management School
The importance of heritage buildings for international tourism: A case study of Hawkes Bay New Zealand

SHIU-SHUO YEH & GE (MAGGIE) LIU - Waikato Management School
The motivation, constraints, and experience of pilgrimage tourism: Case study of Taiwanese religious group travel to Mei-Zhou Island, Fujian province, Southern China
<table>
<thead>
<tr>
<th>Time</th>
<th>Session 1b</th>
</tr>
</thead>
</table>
| 9.30-10.15am | Accounting - MSB.1.03  
Chair: Graham Francis and AProf Martin Kelly |
|              | UMESH SHARMA - Waikato Management School  
New public sector environment: A field study of emergence of new organizational reality and resistance |
|              | NIRMALA NATH – Massey University  
ANT framework to explain the construction of society, reality and knowledge in the context of public sector performance auditing in Fiji |
|              | KEVIN OLD - Waikato Management School  
A method for the development of a theory |

<table>
<thead>
<tr>
<th>Time</th>
<th>Session 2a</th>
</tr>
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<tbody>
<tr>
<td>10.15-10.30am</td>
<td>Morning Tea - MSB Level 1 Foyer</td>
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</tbody>
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| 10.30-11.30am | Management Communication - MSB.1.02  
Chair: Dr Shiv Ganesh |
|              | CATHERYN SUAN CHIN KHOO – University of Otago  
'This is it': Consumer housing choice as a socio-historically shaped experience |
|              | XIAOPENG LIU – Victoria University of Wellington  
Kicked by the same kangaroo: Metaphors deployed in tragic tales of New Zealand firms’ acquisition in Australia |
|              | ROSIE BENTLEY – Waikato Management School |
Exploring the shadows through dialogue

**Session 2b**  
**Finance & Economics - MSB.1.03**  
**Chair: Dr Philip O'Connor**

NIELS PETERSEN – Waikato Management School  
Contrarian and momentum strategies in the New Zealand stock market

AMY TSAI - Waikato Management School  
The performance and persistence of real estate mutual funds: The New Zealand evidence

TAO, SHU QING - Waikato Management School  
Volatility spillovers between stock returns and exchange rate changes: evidence from the Australian markets

11.30-12.30pm  
**Knowledge Management - MSB.1.02**  
**Chair: Dr Jarrod Haar**

**Session 3a**  
MALCOLM MENZIES – Victoria University of Wellington  
Recognising scientific entrepreneurs in New Zealand

QIANG, (KEN) DING - Waikato Management School  
Inter-organizational learning, knowledge transfer and trust in strategic alliances: Issues, implications, and significance

DOMINIC WONG – UCSI Malaysia  
A study of the gender effects on perceptions of working adults towards flexibility of e-learning in Llang Valley, Malaysia

**Session 3b**  
**Finance & Economics - MSB.1.03**  
**Chair: Dr Dan Marsh**

JOHN YOUNG - Waikato Management School
### Modelling the impact of TRQs on New Zealand’s agricultural trade

BASMAN MAZAHRIH - Waikato Management School

*An analysis of the lending practices of commercial banks in New Zealand in their interaction with environmental issues*

RICHARD YAO - Waikato Management School

*The evolution of non-market valuation: Locally and globally*

### Lunch for Registered Delegates, and Invited Guests

**12.30-1.15pm**

**MSB.4.02**

### Management Systems - MSB.1.02

**Chair: AProf Chuda Basnet**

TILLMAN BOEHME - Waikato Management School

*The reality of supplier integration in New Zealand*

ROSALIE LIDDLE CRAWFORD - Waikato Management School

*Customerising e-touchpoints*

NIHAL JAYAMAHA – Massey University

*Empirical evidence on the validity of the Australia business excellence framework*

### Marketing & Tourism - MSB.1.03

**Chair: AProf Lorraine Friend**

NIGEL GRANT - AUT

*Positioning a new team, Brand development of newly established New Zealand sports teams*

SHIH-SHUO YEH & LINGHAO ZHANG - Waikato Management School

*Puli wine industry and its wine tourism market*

GIRISH PRAYAG - Waikato Management School
A post branding evaluation of the image and personality of a tourist destination using brand fingerprinting and brand personification techniques

<table>
<thead>
<tr>
<th>Time</th>
<th>Session 5a</th>
</tr>
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<tbody>
<tr>
<td>2.15-3.15pm</td>
<td><strong>Management &amp; Society - MSB.1.02</strong>&lt;br&gt;Chair: Prof Juliet Roper</td>
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<td>Y. MUSTAFA – NGSM, Australian National University&lt;br&gt;&lt;em&gt;Intergenerational social capital conflict and family business failure: An exploratory study&lt;/em&gt;</td>
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<td>THILAK PANDITHARATNE – Massey University&lt;br&gt;&lt;em&gt;What do New Zealand managers perceive as realistic parameters of corporate social responsibility?&lt;/em&gt;</td>
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<td>MARY SIMPSON - Waikato Management School&lt;br&gt;&lt;em&gt;Participation and control in retirement villages: Implications for 'customer focus'&lt;/em&gt;</td>
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<tr>
<th>Time</th>
<th>Session 5b</th>
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<tbody>
<tr>
<td>3.15-3.45pm</td>
<td><strong>Issues in International Management - MSB.1.03</strong>&lt;br&gt;Chair: AProf Kathryn Pavlovich</td>
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<td>JIRAYU CHOTIMONGKOL – Victoria University of Wellington&lt;br&gt;&lt;em&gt;Leadership development in student clubs: A cross-cultural exploration&lt;/em&gt;</td>
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<td>MILADA PLSKOVA - Waikato Management School&lt;br&gt;&lt;em&gt;Collaborative relationships within SME sector: Investigation of differences between developed and developing countries&lt;/em&gt;</td>
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<td>ZHONG XI - Waikato Management School&lt;br&gt;&lt;em&gt;The application of content analysis in international business research&lt;/em&gt;</td>
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<th>Time</th>
<th>Event</th>
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<tr>
<td>3.45-4.00pm</td>
<td><strong>Publication Fair &amp; Afternoon Tea - MSB Level 1 Foyer</strong></td>
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<td></td>
<td><strong>Award Presentations and Closing - MSB.1.01</strong></td>
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<td>Ted Zorn</td>
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Abstract: This paper begins with a justification for research in consumer housing choice, reviews existing literature on consumer choice in the context of residential homes and concludes by arguing that contrary to existing literature, housing choice can be made on the spot, without extensive information search and lengthy decision-making processes despite the fact that residential homes are high-involvement goods. It then proposes an ethnographic investigation into the “real” factors influencing housing choice to allow construction of a housing choice model that takes into account the consumers’ experience of on-the-spot decision making.

Introduction

With a total market value of between NZ$450 and NZ$500 billion, New Zealand’s residential real estate market is the largest investment asset class in the country (DTZ 2004). With this figure in mind, it came as no surprise when Housing New Zealand Corporation launched the Centre for Housing Research (CHRANZ) in August 2003 to invest in and promote housing research that will provide an evidence base for policies and practices that meet New Zealand's housing needs (Centre for Housing Research New Zealand, n.d.).

Housing choice has been and still is a focus of many housing research projects. However, because real estate is often treated as a financial asset, most academic study on real estate is based on neoclassical economics with a primary focus on finance. A significant amount of real estate research focuses on figures and numbers with an emphasis for appraisals,
valuations, market analysis, investment analysis and brokerage studies. Only recently has there been an increased interest to understand the behaviour of real estate decision makers from a consumer marketing perspective (Black et al. 2003; D'Arcy & Kaleva 2003; Gibler & Nelson 2003) with the emphasis being placed on housing preferences and housing choices (Bates & Kane 2003; Black & Diaz 1996; Crews & Dyhrberg 2004; DTZ 2005; Findsen 2005; Jameson 2004; Reed & Consbee 2005; Susilawati 2001; Watkins 2005). With the exception of Coolen & van Montfort (2001) and Timmermans & van Noortwijk (1995), most of these studies are based on choice processes from comprehensive models of complex consumer decision making. In doing so, these studies have not considered suggestions that not all purchases involve decision-making and that some purchases are subconscious, impulsive and socially-rooted (Allen 2002; Olshavsky & Granbois 1979; Rook 1987).

This research aims to address this gap in the residential housing choice literature. It starts out with a proposition that contrary to most studies, not all housing preferences and choices are a result of “calculated pursuit of previously existing goals” (Allen 2002, p.518), that a non-decision housing purchasing behaviour does happen and that choice can be a “sociohistorically shaped experience”(Allen 2002, p.515). To put it simply, it means that social and historical factors are incorporated in the consumer and rooted in the object of choice (the house) which leads to the realisation that it fits like a glove and an elated response of “This is it! I just know it”

The primary purpose of this thesis is to understand the experiential world of housing consumers and their real life purchasing situations by using methodologies that allow observation of behaviours as opposed to those predicted by models of choice and decision
processes. Its theoretical contribution includes constructing a literature based model that will best explain consumers’ experiential choices in residential real estate.

**Housing Choice**

Consumers’ housing choice, their pre-purchase behaviour and the methods employed by them to find information with which they can make a purchase decision, are all key aspects in the study of real estate consumer behaviour. Past research has shown that complex buying behaviour occurs when consumers are highly involved with the purchase, and this tends to involve decisions that are expensive, bought infrequently, risky, or highly expressive (Asch & Wolfe 2001) and products such as residential homes are therefore amongst the most highly-involved purchase decisions an individual will ever make (Baryla, Zumpano & Elder 2000; Findsen 2005). As such, consumer studies in real estate have taken on the assumption that housing choices are always preceded by lengthy decision making and an intense information search stage (Adair, Berry & McGreal 1998; Baryla, Zumpano & Elder 2000; Bates & Kane 2003; Black & Diaz 1996; Crews & Dyhrberg 2004; Dennis 2006; DTZ 2005; Jameson 2004; Levy & Lee 2000).

As a starting point, one such example is a recent New Zealand study that was undertaken to measure tenure choice in housing consumers (DTZ 2005). In this study, housing tenure choices were not only measured by using primary survey data and secondary data such as census but were based on extensive consumption models and life cycle tenure choices. It is possible that the research method used in this study may have overlooked the “real” rationale behind housing choices.
Another study was done by Findsen (2005) who investigated decision making processes of first home buyers in New Zealand. Although the research concluded that choice in home ownership involved many stages of separate purchase decisions, there is also an evocation that some respondents were flexible in their search methods and impulsive in the choices they made. This important finding was not elaborated or highlighted in the research and warrants further investigation.

**Alternative Choice Theories**

A review of early literature on consumer decision making found that Olshavsky & Granbois in 1979 had already suggested that a significant amount of consumer choice does not involve decision making, “not even on the first purchase” (p. 98). Olshavsky & Granbois (1979) also have their suspicion on choice models and warn that consumer researchers who have been influenced by their assumption of decision process behaviour may produce biased findings by using research instruments to measure what they expect to find (p. 94). The same study also points out that in some purchases, information search is absent and consumer choice is influenced by social and historical experience such as “preferences acquired in early childhood” (p. 98). This claim is backed by Holbrook & Hirschman (1982) whom responding to Olshavsky & Granbois (1979), came up with the “experiential view” (p. 132) in recognition of the experiential aspects of consumption choice. Further support came from Thompson, Locander & Pollio (1990). Through their interpretive investigations, they found that choice is an experience that can be captivating and made on the spot. Informants in their study experienced the object of choice as an overwhelming force thus consumption was seen as an impromptu exercise of free choice, not as a result of “calculated pursuit of previously existing goals of preferences” (Allen 2002, p.518). All these attributes of choice as an
instantaneous experience have never been explored in behavioural real estate nor housing choice literature.

They however, paved the way for the model of constructive choice theory. In their paper, Bettman, Luce & Payne (1998) explained that constructive choice theory has evolved to resolve the flaws and criticisms in rational choice theory. The authors maintain that contrary to rational choice theory, choices are constructed on the spot rather than through deliberate and calculative decision making processes. They also put forth the notion that choice among options is highly context dependent and will not always follow a flow of decision making stages. This choice theory has also never been applied in research on housing choice.

Building on the framework of constructive choice theory, practice theory and his own ethnographic study on choice for postsecondary education, Allen (2002) has pieced together the Fits-Like-A-Glove (FLAG) theory of choice. This theory emphasizes the embedded sociohistorical virtues of everyday experience that contributes to the perfect choice. He went further to explain that the perfect choice arises from the consumer’s in situ encounter with an object of choice. When this happens, consumers experience a moment of enlightenment and will not be able to give reasons or rationales for their choices – they only know that the object of choice fits like a glove.

The emergence of these alternative theories has important implications for research in housing choice because it implies that much of the research done on housing consumers’ decision making processes would now be less applicable than has been assumed. These theories give evidence to the fact that it is possible for housing choices to be made without lengthy decision-making and intense information searches. They also open doors to the possibility of
consumers discarding options and decision-making processes for a FLAG housing choice. The idea of on-the-spot decision-making is not a ridiculous one after all. A new conceptual model incorporating alternative choice theories would help to understand the experiential choices of housing consumers and their real life purchasing situations.

**Research Proposition**

The overall research proposition is to investigate social and historical factors (previously explored in choice of postsecondary education) that influence consumers’ experiential choices in residential real estate. The next step in the research process will be to construct a model in order to better explain how buyers negotiate and grapple with the different aspects of their lived experiences in relation to their housing choices.

**Proposed Methodology**

The proposed methodology will adopt a sequential exploratory design (Creswell 2003) which means qualitative methods are followed by quantitative. Qualitative methods that allow observation of behaviours (as opposed to those predicted by models of choice and decision processes) are essential (Holt 1995; Thompson, Locander & Pollio 1990) and will form phase one of this study. Focus group research consisting of recent home buyers will be used to generate understanding on factors influencing consumer’s housing choice.

The next step will involve enlisting the help of real estate agencies and agents. Homebuyers who have made an offer for a house but failed to secure the house will be shown a letter requesting their help in the study. There are three conditions to qualify as a participant: the person (1) must have already made an offer for a home; (2) the purchase of a home was not completed (3) the home was intended for buyer’s own residence and not for the sole purpose
of investment. The first two criteria will warrant genuine home buyers whose housing decisions and choices can be observed until a sale is complete. The third condition was set to draw the distinction between home buyers and investors as the two groups of consumers will have very different motivations which will in turn influence their decision-making processes and choices. Deep, rich and thick data collection is needed and this will involve interviewing and observing participants in the actual sites (open homes, real estate agencies, participants’ homes, participants’ cars). This ethnographic research is adopted for its obvious advantages – its closeness to the reality of the topic (Carson et al. 2001) and is believed to provide significant insights (Baker 2002; Ritchie & Lewis 2003) to the drivers behind housing choice.

Analysis and interpretation from this study will be combined with framework from prior research for the construction of a new conceptual model that best explains consumer housing choice followed by the final stage of quantitative data collection to test the model.

Conclusion

The purpose of this thesis is to develop a housing consumers’ choice model that takes into account the consumer’s experience of on-the-spot decision making. This will be a contribution to academic knowledge, because it disagrees with existing literature that houses are high involvement goods requiring extensive information search and lengthy decision-making process prior to a choice being made. The aim is also to contribute significantly to practice, because it is important for academic theory to be directly applicable in the real world.
References


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DTZ, NZ 2005, Housing Tenure Aspirations and Attainment, Centre for Housing Research New Zealand.

Findsen, AT 2005, Buying a 1st Home, GenX in the Auckland Housing Market, The University of Auckland.


Olshavsky, RW & Granbois, DH 1979, 'Consumer Decision Making-Fact or Fiction?' The Journal of Consumer Research, vol. 6, no. 2, pp. 93-100.

Reed, R & Conisbee, N 2005, 'Identifying linkages between generations and community development – the effect on residential and retail property', 11th Annual Pacific Rim Real Estate Conference, University of Melbourne, Australia.


