

# The Significance of Service Performance for Residential Housing Development in New Zealand

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## Abstract:

This study identifies the service excellence impacts in deciding the decision of house purchase and examining the satisfaction of post-purchase for house owners in New Zealand. Results of the multiple regression analysis, according to 414 questionnaires, confirm that: reliable services highly affect the customer purchase decisions. The study also confirms that the house developer's satisfactory performance directs to maintaining a convenient relationship with the house owner. It indicates to the right house owner purchase decision and improves the business opportunities for the house developer. The motivation of the house owner is critical to house developers as they have to be thoughtful before starting a new project. House developers are expected to be aware of what the market concerns and plan their projects to anticipate homeowners' demand. The main contribution of this study is the critical factor finding of service excellence.

**Keywords:** service excellence, purchase decision, residential housing, house developer, customer satisfaction

**JEL Classifications:** M1, M3, R3

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## INTRODUCTION

In the latest years, the service level has developed to be more important to business practice and also the customers. Business perceives service excellence as a basic mechanism for the customer satisfaction level enhancement – and hence repeat business, better profitability, and expanded market share. Service excellence is the service quality model extension, which has been examined and discussed for a long time. The service quality model's crucial idea is to recognise the pits of perception and expectation (Verhoef, et al., 2009). As a result, excellence of service is depicted as the aptitude to reliably 'surprise and delight' the customers, or the service activity level beyond the customers' ordinary expectations (Al Eisawi, et al. 2012).

Residential building construction has a crucial role in the economy of New Zealand. It participates in the construction industry in New Zealand for about 20% (MBIE, 2016). New Zealand's residential housing industry becomes the highest development industry for a decade. Even though housing demands in New Zealand have been increasing significantly, the shortage of housing supplies still present. This shortage is mainly due to immigration and population growth (Spencer, 2013). As in different countries, New Zealand's housing quality has remarkably been emphasized in the latest years, with certain concentration being shown in regards to defect detection, cause, magnitude and then expense (Rotimi et al., 2015); design of better housing, constructability, and pre-manufacture (Goodchild et al., 2014); planning, management of quality, and system of control (Heravi et al., 2015); construction supply chain management

(AlMaian, et al., 2015); sustainable development (Opoku, et al., 2015); maintenance of building (Cooper, 2015). Considerably, housing provision investigations related to service excellence for the house owner are restricted. In the latest years, service quality and level have developed in significance level to business practices and the customers. Service excellence is the service quality model extension, which has been examined and discussed for a long time. The service quality model's crucial idea is to recognise the pits of expectation and perception (Verhoef, et al., 2009). As a result, the excellence of the service is depicted as the aptitude to reliably 'surprise and delight' the customers, or the service activity level beyond the customers' ordinary expectations (Al Eisawi, et al. 2012). There are no studies that have been reported the New Zealand's industry of residential housing in investigating the relationship between service excellence and house owner's purchase decision and customer satisfaction. Mostly, previous researches related to the quality of service were studied in the industries of service, for instance, hospitality (Wang et al., 2008), bank (Abdullah, et al., 2011), ICT (Sarai & Amini, 2012), education (Law, 2013), retail (Amorim & Saghezchi, 2014), and health care (Schembri, 2015). This research tries to fill the gaps by examining the factors influencing decisions of housing purchase in the biggest urban city in New Zealand, Auckland. This current research is important for several reasons. Firstly, the service excellence concept implementation is associated with an answer to stimulate sustainable service in the industry of residential housing. It could be begun from the housing development beginning stage. Secondly, it could be utilized as a rule for house owners to decide their purchase decision. Meanwhile, developers or house developers could decide certain prerequisites to fulfill or go beyond the expectation of customers. Lastly, it proposes additional information concerning the identification of the decision-making process from the customers in the industry of residential housing.

## **THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT**

The housing industry has become a vital component for every country's sustainable development in the world (Kamal, et al., 2016). To have a home is a highly significant purpose for the house owner and the majority of persons invest their savings to construct a new home or

to renovate their old houses (Xiao, et al., 2003). Thus, house ownership has become problematic, which is the many determinant results, consisting of housing characteristics (property and house types), demographic and sociocultural descriptors, and employment and income trends (Tan, 2008). Notwithstanding, housing affordability is a crucial topic concerning homeownership and the housing rate or price in the primary urban areas over the world has expanded immensely to unreasonably expensive levels (Kamal, et al., 2016). In the unaffordable levels terms, housing in Auckland is marked seriously unreasonably expensive with a home value ten times from the income of households (Cox & Pavletich, 2017). Moreover, Auckland is described as the biggest and most rapid developing city in New Zealand, the population reach 1.6 million in 2016 and projected to grow to 2.0 – 2.6 million by 2043 (Statistics New Zealand, 2017). Therefore, the house owner can be described as an individual who has their own house (Aaronson, 2000). The homeowner also can be said as people who purchase a house for their own dwelling (Sean & Hong, 2014). Normally homeowner needs a better understanding and knowledge when evaluating their property-buying behavior (Daly, et al., 2003). The decision of the house owner to purchase a house is urged by investment and consumption motives (Dusansky & Koc, 2007). Then, house owners tend to carefully retain their properties and they want to get an appropriate developer for their properties. Once developers create a poor standard of building materials and a low standard of inspection, it will create a lot of mistrust in developers. As discussed by Teck-Hong (2012), house developers should be sensitive to homeowners' interest by understanding homeowners' motivation. Most customers are consistently looking for better options to fulfill their necessities (Munir Hossain, et al., 2012). A customer decides products or services according to their customer value perception and which could satisfy their necessities (Kotler & Armstrong, 2012). Perceived quality is elucidated as the perception of consumers toward the general experience or knowledge of an individual (Zeithaml, 1988). The perceived quality of the consumer is a comparison result between the experience and expectation of the consumer (Caruana, 2002). Currently, quality is recognised to be business efficiency significant drivers and one of the business excellence (Fararah & Al-Swidi, 2013). If an organization or institution can convey great quality service, it cannot only hold the present

consumers and invite the new consumers but also make sure of the business success (Angelova & Zekiri, 2011). Thenceforth, quality of service could be described as the outcome representation from comparisons of the customer between and their perceptions regarding the service provider and their expectation regarding the service they utilise (Hellen, 2014). Mukhtar et al. (2014) construed that quality of service is understanding the organization's performance power. The measurement of how well-conveyed service fulfills the expectations of the customer (Hien, 2014) and the overall impression the measurement of the customers about the organization and its service relative efficiency (Archana & Subha, 2012) could be classified as the quality of service. Basically, the term of service quality affects the differences between the expectations of the customer and service experience perceptions (Ghouri, et al., 2012). The service quality significance has drawn academicians' and professionals' attention to create service quality measurement (Tuan, 2012). During the most recent three decades, there are various models of service quality offered by numerous researchers but just some of them could be implemented in the industries (Tu, 2013). Quality of service could be increased by highlighting on problems of the customer and understanding problems of the customer is the most crucial factor affecting the customer purchase decision (Njama, 2012). Johnston (2004) mentions that 50% of the customers convey problem handling as the thing that makes service excellence. It means that if the perceptions of customers are higher than the expectations of the customers, the service could be classified as service excellence. Besides service excellence that should not only go beyond expectations of the customer by offering extraordinary service, the customer view of what is the excellence in the service that does not essentially go beyond expectations of the customer should also be emphasized (Gouthier, et al., 2012). The service excellence existence as a concept becomes vital for the growth and success of a business (Asif & Gouthier, 2014). It indicates that service excellence implementation becomes compulsory to attain the growth of the business. Johnston (2004), in Gouthier, et al., (2012) postulates that excellence of the service goes into some classifications as follow:

- Conveying promise
- Giving a personal touch
- GTEM (Going the extra mile)
- Dealing carefully with queries and problems

From the perspective of a construction organisation, the level of service provided by a house developer could be an essential competitive advantage source. Furthermore, house developer capability frequently becomes a crucial customer loyalty driver. The house developer is demanded to be efficient and fast at performing its job as well as helpful and friendly in dealing with its customers. Throughout the process of construction, a house developer should have regular contact with house owners and there should be solid proof indicating that the performance of customer satisfaction and house developer is strongly correlated. The Service Quality and Service Excellence model implementation is mainly related to the service industries. Only a few types of research measure service excellence in the construction sector, particularly residential housing. This research examined the relationship among three components comprised of the customer purchase decision, the excellence of service and satisfaction of the customer. As such, the following hypothesis is predicted:

H1: The overall house owners' satisfaction with their purchase decision is decided by their service excellence assessments conveyed by house developer.

To obtain adequate knowledge regarding the customer, comprehending the process of purchase decision-making becomes a central goal for the marketer. Definitely, the process of purchasing begins long before the actual purchase and continues to influence long after the purchase. A customer gets through some stages to achieve their purchase decisions. Some interrelated activities series have existed that drive a buyer to their decision. It has begun by problem identification, preceded by searching for information, alternatives evaluation, the decision of purchase and behavior of post-purchase (Armstrong, et al., 2014). Purchase decision could be described as a constant process that concerns to thoughtful, constant action embraced to achieve the satisfaction of need (Shareef, et al., 2008). The purchase decision of a customer could be balanced with the conditions of the consumption situation of the customer-generated from the vendors' quality characteristics. Furthermore, purchase decisions also can be described as situational, a social, an individual, and a perceived contextual phenomenon (Engel et. al., 2005). Throughout this stage, consumers of housing determine whether to purchase/rent, what to purchase/rent (the house type and

quality), where to obtain the house (the house to purchase/rent location) when to purchase/rent, and determine how to pay it (Akinyode, et al., 2015). At the purchase point, some factors that affect house purchase decision, for example, house price (Si, 2012); level of income (Zeng, 2013); access to finance (Bajpai & Bhalchandra, 2015); accessibility (Kippes & Eves, 2010); location (Otegbulu & Johnson, 2011); environment (Cellmer, et al., 2012); facilities of infrastructure (Anis, et al., 2014); housing features (Ratchatakulpat, et al., 2009) are existed. There is no previous study observes service excellence as critical factors influence house purchase decision. Therefore, this study examines the service excellence that affects the purchase decisions of the homeowner in Auckland. Thus, this study predicts the following hypothesis:

H2: The house developer service excellence influences house owner' housing purchase decisions in Auckland.

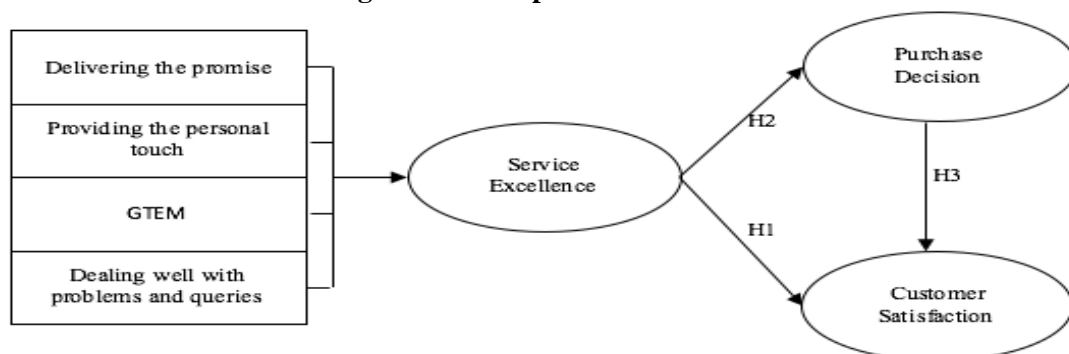
Satisfaction is known as a reaction to an apparent inconsistency between earlier expectations and identified performance after consumption (Eid, 2011). Moreover, satisfaction has become an emotional state yielding from the regular communication of the service provider with a consumer (Jani & Heesup, 2011). Customer satisfaction is depicted as a pleasure or disappointment of an individual's feeling yielding from contrasting a product or service's perceived performance concerning the expectation of him or her (Nam, et al., 2011). Hence, the satisfaction of customers could be seen as a measurement result between the expectation and experience of the customer; and satisfaction of the customer is retained when the last deliverable (i.e., experience) fulfill or go beyond an expectation of the customer (Khristianto & Suyadi, 2012). Moreover, the satisfaction of customers reflects the difference between ex-pectation and the

experience of the consumer with the products and services (Johan et al., 2014). In residential housing terms; customer necessities, service level, marketing stimuli, customer satisfaction, and mouth word have an influence on the purchase decision of the customer (Anis, et al., 2014). The housing satisfaction main factor is the experience that is had by the customers, enclosed to the total amount of money that is expensed on the housing concerning with the housing unit standard (Akinyode, et al., 2015). To elaborate on the satisfaction of house owner's and their assessments of their purchase decision from a house developer, this study proposed the following hypothesis:

H3: The house owner in Auckland are satisfied with their decision of housing purchase.

Customer satis-faction becomes the major component to get lo-yalty of the customer and the better the satisfaction of the customer, the better the products or services usage consumption (Suwono & Sihombing, 2016). Furthermore, the satisfaction of the customer in the housing product is assessed according to the house certain trade at a specific time (Yang & Zhu, 2006). It means that the companies of housing or developer should be related to the satisfaction of the customer and level of confidence to derivate a customer's higher intention to buy a home (Luo & James, 2013). The general house owner satisfaction is led by product quality dimensions, project facilities, and service quality (Zadkarim & Emari, 2011). The above hypotheses were developed according to the process of purchase decision explained by Armstrong, et al. (2014) and the Excellence of Service measurement formulated by Johnston (2004). The theoretical framework reflected in the hypotheses is depicted in Figure 1.

**Figure 1: Conceptual Framework**



Source: Original Figure, 2020



## METHODOLOGY

Rather than to suggest a new theory, the aim of this study was to examine the hypotheses, so that for this study, a quantitative method was selected (Neuman, 2014). This study is suited to the quantitative method because all variables employed were measurable and calculable (Creswell, 2013). Gaining the perception of house owners towards the service excellence attributes was the aim of this quantitative study. To acquire appropriate services' measurement offered by for house developer to house owner. A questionnaire survey was utilized in the quantitative approach of this study as the strategy of the research since it generated responses from many respondents (Saunders, et al., 2012). The questionnaire survey respondents were house owner in Auckland who possessed a house from 2016 to 2019. The questionnaire was composed of two sections. The information of background and characteristics of respondents was in the survey first section. The second section deals with the opinions of house owners, containing questions about excellence in service, customer satisfaction, and purchase decisions. In this study's questionnaire, attitudes were measured using a six-point Likert scale. Research that utilized questionnaires to gauge the attitudes of respondents generally employed a psychometric scale, which was a Likert scale. For this study, a six-point Likert scale had three positive responses and three negative responses. It provides a higher reliability degree because a six-point Likert scale proposes a greater number of choices than a five-point scale (Creswell & Clark, 2011). In the past studies, six-point scales have been utilized identifying the choice of housing (Fierro et al., 2009). To minimize neutral responses, the six-point scale was taken into account. The sample size was about 400; in the study of business, it was regarded as suitable and provided nearly the same precision in a 200 million population as it does in a 4,000 population (Cooper & Schindler, 2014). In addition, the critical sample size was in the range of 300 and 500 for improving multivariate analysis accuracy (Cooper & Schindler, 2014). With a total population of 1.6 million, Auckland is the biggest city in New Zealand. The researcher, therefore, used a stratified random sampling technique. Utilizing a confidence level of 95 percent and a confidence interval of  $\pm 5$  per cent, the sample size required was 356. Consequently, this study decided the sample size of about 400, with a confidence level of 95 percent and a confidence interval of  $\pm 4.9$  percent. This was suited to the

Auckland population. For this study, in clarifying linear combinations of dependent variables, the linear combinations of observed and latent independent variables were generated, which was the principal aim of the analysis. Therefore, the study's essential analytical technique was Structural Equation Modelling (SEM). The causal relationship between latent variable (one or more factors that was not directly calculated) with observed variable (one or more factors that was directly calculated) was measured by SEM (Ullman, 2006). The essential focal point of this examination was to analyze connections among unobservable (latent) constructs, consisting of attributes of home ownership, housing purchase decision, attributes of service excellence, and house owner's satisfaction. In brief, it has been found that in behavioral and social sciences, SEM methodology is valuable, in which many unobservable constructs exist (Jöreskog & Sörbom, 1993). Outliers, normality, linearity, and homoscedasticity as part of statistical assumptions underpinning Multivariate Analysis needs cautious testing to guarantee that the validity of statistical conclusion is fulfilled by the basic data assumptions (Scandura & Williams, 2000). At that point, Analysis of Moment Structures (AMOS) was utilized to accurately and efficiently configure and evaluate the interrelationship between latent constructs (Byrne, 2016).

## RESULTS AND DISCUSSIONS

To obtain an expected number of completed questionnaires, 1,500 questionnaires were distributed. A total of 414 responses were finally received, showing a 27.6% rate of response. The characteristics of demography of the 414 respondents are presented in Table 1. All respondents of this study were house owners in Auckland who owned the house for at least one year. The demographic characteristics considered include age, gender, income, house developer category, and length of stay in the house. Meanwhile, there were ten attributes of service excellence, namely individual treatment, reliability, quick response, problem solver, meeting expectations, caring and anticipating customer needs, doing what was promised, helping the customer, and protecting the customer. The result of descriptive statistics for service excellence attributes can be seen in Table 2. In categorizing the attributes of important' and 'most important', the analysis of t-test was employed (Ekanayake & Ofori, 2004). It began with the comparison of  $H_0$  (null hypothesis):  $\mu_1 < \mu_0$  and  $H_1$  (alternative

hypothesis):  $\bar{x}_1 > \bar{x}_0$ ;  $\bar{x}_1$  represented the mean of “mostly agree”, and “completely agree” in the population while  $\bar{x}_0$  indicates the critical rating (Wong & Li, 2006). In this study,  $\bar{x}_0$  value was characterized as higher than the values of t- observed ( $t_0$ ) are higher than the values of t- critical ( $t_c$ ), the null hypothesis ( $H_0$ ) is rejected.

**Table 1: Demographic Characteristics**

Variables	Descriptive	Amount (%)
Respondents' Gender	Male	0.8720
Respondents' Gender	Female	0.1280
Respondents' Age	$\leq 30$	0.1135
Respondents' Age	31-40	0.3768
Respondents' Age	41-50	0.1860
Respondents' Age	51-60	0.2802
Respondents' Age	$>60$	0.0435
Respondents' Income	NZ\$ 70,000 or less	0.3068
Respondents' Income	NZ\$ 70,001 – 90,000	0.1014
Respondents' Income	NZ\$ 90,001 – 110,000	0.1643
Respondents' Income	NZ\$ 110,001 – 130,000	0.0918
Respondents' Income	NZ\$ 130,001 – 150,000	0.1063
Respondents' Income	NZ\$ 150,001 or more	0.2294
Number of House Owned	1 house	0.7077
Number of House Owned	2 houses	0.1473
Number of House Owned	More than 2 houses	0.1450
Length of Stay	Less than 6 months	0.1594
Length of Stay	6 months – 1 year	0.0386
Length of Stay	1 – 1.5 years	0.1353
Length of Stay	1.5 – 2 years	0.0290
Length of Stay	2 – 3 years	0.6377
House Developer Category	Build by myself	0.0483
House Developer Category	Registered House Developer	0.7850
House Developer Category	Non – Registered House Developer	0.1208
House Developer Category	Other	0.0459

Source: Original Table, 2020

For this study, the critical t-value ( $t_c$ ) was  $t(413, 0.05) = 1.984$ ; meaning that the null hypothesis ( $H_0$ ) was rejected, consisting of “completely disagree”, “mostly disagree”, and “slightly disagree” attributes, and only the alternative hypothesis ( $H_1$ ) was accepted. Besides, to decide the critical factors, t-value was employed by contrasting the values of t-observed ( $t_0$ ) and t- critical ( $t_c$ ). Ten critical values of service excellence were shown in Table 3, based on a threshold of  $t_c$ . As seen, for service excellence, the most noteworthy factor was reliability. As presented in Table 4, because  $\chi^2 = 2011.430$ ,  $df = 479$ , and  $p = 0.000$ , the model of this study was accepted. In this

study, the other absolute fit indices consisting of  $\chi^2/df = 4.199$ , GFI = 0.777, AGFI = 0.739, and RMSEA = 0.088, were moderately satisfactory. It was still accepted even though the relative  $\chi^2/df$  was higher than 2, because it was less than the highest threshold (Tabachnick & Fidell, 2013).

The factor loading, Composite Reliability (CR), and Average Variance Extracted (AVE) could measure the reliability and validity for this study. The variance level obtained by constructs against the measurement error level is the basis to calculate AVE (Fornell & Larcker,

1981). For the AVE value, when the value is 0.5, it is classified as good, while if the value is 0.7 or greater, it is classified as very good. Comparing construct's factor loading and error variance employed CR (Alarcón & Sánchez, 2015:7). The value of CR cut off was 0.7, meaning that it was greater, so that as CR value, it was accepted. Further, the correlation of each variable to predict the indicators based on the latent variables was

calculated by factor loading (Tabachnick & Fidell, 2013). A sufficient convergence among the variables in the construct was specified by more than equal to 0.5 value of factor loading. Since the factor loading value was mostly higher than 0.5, a good correlation between each variable existed, as presented in Figure 2.

**Table 2: Descriptive Statistics of the Service Excellence Attributes**

Attributes	Min	Max	Mean	Median	Std. Deviation
Do what was promised	1	6	4.56	5	1.08
Meet Expectations	1	6	4.71	5	1.06
Protect the Customer	1	6	4.62	5	1.15
Reliable	1	6	4.82	5	1.07
Quick Response	1	6	4.57	5	1.18
Helping the Customer	1	6	4.60	5	1.05
Problem Solving	1	6	4.51	5	1.03
Individual Treatment	1	6	4.61	5	0.99
Care	1	6	4.36	5	1.12
Anticipate needs	1	6	4.21	4	1.00

Source: Original Table, 2020

For the first hypothesis (H1), the results were that p-value = 0.000, C.R. = 4.167, and  $\beta = 0.184$ , as shown in Table 5 and Figure 2. The C.R. threshold was more than equal to 1.98, classified as significant. Then, the p-value cut off was less than equal to 0.05, classified as significant. As

H1, the standardized beta estimate was 0.184, showing a positive relationship. Also, it can be stated that when service excellence increases by one standard deviation, the satisfaction of customer improves by 0.184 standard deviations. H1, thus, was supported, stating that customer satisfaction was affected by service excellence.

explained before, for the attributes of service excellence, the p-value and CR were 0.000 and 4.167 in finding out the satisfaction of the customer. It means that 4.167 was the possibility in obtaining critical ratio. In addition, for

**Table 3: Critical Factor Attributes**

Attributes	Mean	Std. Deviation	t-value
Reliable	4.82	1.07	15.593
Meet expectations	4.71	1.06	13.629
Individual treatment	4.61	0.99	12.537
Helping the customer	4.60	1.05	11.627
Protect the customer	4.62	1.15	10.970
Do what was promised	4.56	1.08	10.550
Problem solving	4.51	1.03	10.075
Quick response	4.57	1.18	9.829
Care	4.36	1.12	6.540
Anticipate needs	4.21	1.00	4.273

Source: Original Table, 2020

The Critical Ratio (C.R.) of Service Excellence for the Predicted Purchase Decision was 2.472, while the p-value was 0.013, as shown in Table 5. The C.R. threshold was more than equal to 1.98, classified as significant, while the p-value cut-off was less than equal to 0.05, classified as significant. This means support was given for the hypothesized parameter of H2. It indicates that support was given to the H2 hypothesized parameter. It can be stated that, statistically, the purchase decisions of house owners were significantly impacted by service excellence. Four constructs utilized to find out the excellence of service, including personal touch, delivering what was promised, GTEM, and dealing well with the customer. Also, for H2, the beta standardized

estimate was 0.115, showing a positive correlation. Besides, it can be stated that when service excellence increases by one standard deviation, the decision to purchase improves by 0.115 standard deviations. For the third hypothesis (H3), the results were that p-value = 0.010, C.R. = 2.568, and  $\eta^2 = 0.124$ , as shown in Table 5 and Figure 2. The C.R. threshold was more than equal to 1.98, classified as significant. Then, the p-value cut off was less than equal to 0.05, classified as significant. It means that H3 was in the hypothesized direction and statistically significant. H3, thus, was supported, stating that customer satisfaction was affected by decision to purchase of the house owners.

**Table 4: Goodness of Fit (GOF) Table**

GOF Indices	Model Value	Recommended Level	Source
<i>Absolute Fit Indices</i>			
Df	479		
$\chi^2$	2011.430		
P-Value	0.000	< 0.05	Barrett (2007)
$\chi^2/df$	4.199	2.0 – 5.0	Tabachnick & Fidell (2013)
GFI	0.777	> 0.9	Hooper <i>et al.</i> (2008)
AGFI	0.739	> 0.9	Tabachnick & Fidell (2013)
RMSEA	0.088	0.05 < value < 0.1	Kenny <i>et al.</i> (2015)
<i>Incremental Fit Indices</i>			
IFI	0.853	0.0 – 1.0	Hu & Bentler (1999)
NFI	0.816	0.0 – 1.0	Hu & Bentler (1999)
TLI	0.837	0.0 – 1.0	Hu & Bentler (1999)
CFI	0.852	0.0 – 1.0	Hu & Bentler (1999)
<i>Parsimony Fit Indices</i>			
PGFI	0.664	> 0.5	Mulaik <i>et al.</i> (1989)
PNFI	0.740	0.0 – 1.0	Trost <i>et al.</i> (2003)
PCFI	0.773	> 0.05	Lee <i>et al.</i> (2017)

Source: Original Table, 2020

Triumphing over the problems of property over-request specifically in Auckland and generally in New Zealand was the main goal this investigation. One of the primary problems is the capacity to buy a house by house owner. In deciding to purchase, excellence of service from the

house developer was essential, as agreed by most of the respondents. In addition, comparing the perceived service with the expected service was intended by most clients. At the point when the client felt the perceived service was underneath their desire, they would be disappointed.

**Table 5: Regression Weights of the Hypothesized Parameter**

Dependent Variable	Predictor	Estimate	S.E.	C.R.	P-value	Hypothesis Result
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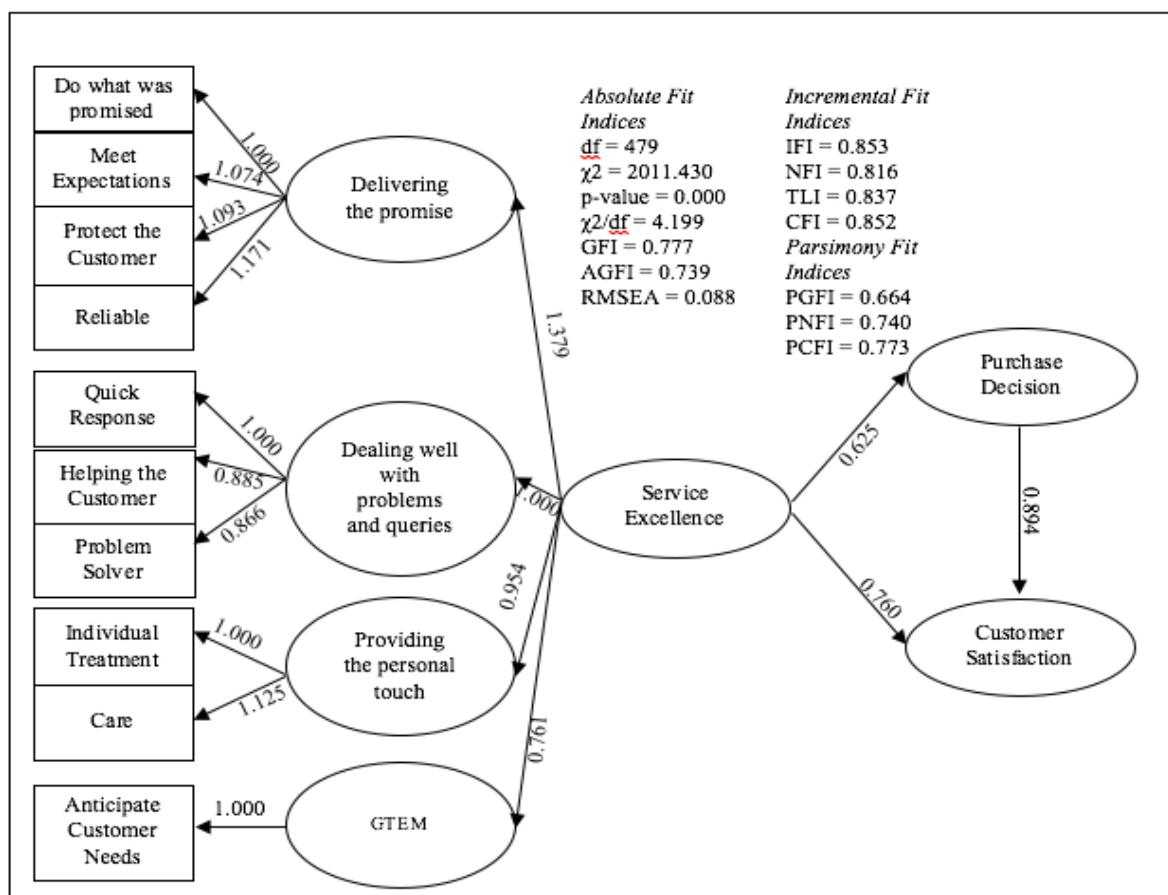
Customer Satisfaction	Service Excellence	0.184	0.038	4.167	0.000	H1 Supported
Purchase Decision	Service Excellence	0.115	0.010	2.472	0.013	H2 Supported
Customer Satisfaction	Purchase Decision	0.124	0.192	2.568	0.010	H3 Supported

Source: Original Table, 2020

Conveying the promise was the most significant attribute which made a positive commitment toward the excellence of service, as clarified in Figure 2. The house developer ought to convey their promise, as concurred by most respondents. In conveying the promise, the most critical factor was reliable service. Likewise, it can be stated that offering reliable service was positively related to the accessibility to convey the promise. Therefore, the capacity of the house developer to offer reliable service

could make consumer satisfied and decide to buy. This finding was in line with previous research which revealed that web buyers would, in general, buy in the online shop that offers reliable service (Reichheld and Schefter, 2000).

Fig.2. The Overall Measurement Model with Standardized Factor Loadings



Source: Original Figure, 2020

## CONCLUSIONS AND RECOMMENDATIONS

The present research is the foremost extensive examination of the connection between service

excellence and decisions to purchase of house owners in New Zealand. Inside the setting of the New Zealand lodging industry, the estimation of service excellence as

the fundamental variables to decide housing purchase is new information. It implies house developers or designers ought to consider each factor of service excellence when constructing a client house. Influencing purchase decisions of house owner was considered easy by offering a fitting service to the client. At the point when each factor of administration greatness can fulfill the property holder's desire, a brisk choice was made by the mortgage holder to buy a house. Thusly, it is simple for house engineers or designers to maintain their organizations and amplify their association's pay. House owners could decide quickly to purchase house, if each factor of service excellence could fulfill their desire. As the result, house developers would be easier in managing their commerce and boosting their revenue.

Performance that is satisfying from the house developer prompts maintaining a good relationship with the house owner. It implies that the satisfaction of house owner depends on the process of construction done by the house developer. A business opportunity is open for the house developer when the service given can satisfy the house owners. Consequently, service excellence that is maintainable is exceptionally essential for house developers to raise their revenue by effecting the satisfaction of house owner. Nonetheless, this study had several limitations. The first limitation was that the study only focused and involved contribution of newly constructed houses house owners in Auckland. The investigation did not examine the decision to purchase of the house owners of second-hand houses and outside Auckland. The second limitation was that only centered around the housing purchase and post-purchase decision. Initially, the total of the process of purchase decision-making was five steps: problem recognition, looking for information, alternatives evaluation, decision to purchase, and behavior of post-purchase decision (Quester et al., 2014). Thirdly, this research was primarily related to the attributes of housing and service. This study did not consider other factors, such as demographic components. Prior research considered the factors of demographic as essential components in deciding to purchase of house owners.

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