

Consumer Behavior and the Demand for Sustainable Buildings in an Emerging Market: The Example of Brazil

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Abstract : This work aimed to identify the relationships between the level of consumer environmental awareness and their search for sustainable properties, as well as to understand the main sustainability structures considered by these consumers during the decision process. Additionally, the paper looked up to the influence environmental awareness and financial status have over the disposition of buyers to pay more for sustainable properties. To achieve these objectives, 318 questionnaires were answered electronically, after being sent to the Green Building Brazil email basis, as to other Real Estate developers client basis. From all the questionnaires answered, 71 were discarded, leaving a total amount of 247 admitted questionnaires to be analyzed. The responses were evaluated based on the theory of consumer decision making, especially on the influence factors of this process. The data were processed using a PLS model, using the R software. The results have shown that the level of consumer environmental awareness effectively affects the consumer's will of acquiring a sustainable property or, at least, a property with some environmental friendly structures. The consumer's environmental awareness also positively impacts the importance consumers give to individual environmental friendly structures. Also, as a consumer value to those individual structures raises, it is also observed a raise in his will to buy a sustainable property. Additionally, the impact of consumer's environmental awareness and financial status over the willingness to pay more for a property with those attributes. The results indicate that there was no relationship between consumers' environmental awareness and their willingness to pay more for a sustainable property. On the other hand, the financial status and the family income of the consumers showed a positive relation with the willingness to pay more for a sustainable property. This indicates that consumers with better financial conditions, which according to the analysis do not necessarily have a greater environmental awareness, are those who are willing to pay more for a sustainable property. Thus, this study indicates that, even if the environmental awareness impact positively the demand for sustainable structures and properties, this impact is not price reflected, due to the price elasticity of the consumption, especially for a category of lower income consumers. This paper adds to the literature in the way it projects some guidelines to the consumer's decision process in the Real Estate market in emerging economies, as well as it presents some drivers to pricing decisions.

Keywords : consumer behavior, environmental awareness, real estate pricing, sustainable buildings

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