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## TRUST AND REAL ESTATE MARKETING IN GHANA: EXPERIENCE FROM THE LOCAL PEOPLE

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**ABSTRACT:** *Acquiring a house property is the ultimate goal of every individual in the developed and developing countries. Few scholarly studies have been conducted on customer behaviour towards real estate marketing as well as determining the trust levels of customers that may influence their decision towards real estate marketing in emerging economies. The study employed the qualitative method for data analysis. From the use of in-depth interviews with thirty (30) respondents, this study explores the various causes of customers' high and low trust levels in engaging in real estate marketing within the Kumasi Metropolis of Ghana. Findings indicated that customers may either opt for building their own house or purchasing a house property from real estate companies for accommodation. The decision to either build or buy a house property are based on customers' trust in real estate companies to suit the preferences and expectations. Customers place emphasis on convenience, past experiences, credentials and willingness and availability of real estate agents as a positive contributing cause of trust and these are of importance to any customer who attains house ownership through real estate companies. However, themes developed from the interviews were causes of customers' mistrust towards real estate companies which were the unscrupulous behaviour of real estate markets, fraudulent activities, the emergence of real estate in Ghana as a new sector, inability to build to suit preferences, incomplete information and lack of transparency, delay in possession and lack of maintenance related issues.*

**KEYWORDS:** trust, customer behaviour, real estate marketing

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### INTRODUCTION

Real estate marketing has caught the attention of governments and publics around the globe in recent years. The real estate market is about transactions involving the right to own or use a building or land (Luca and Ciobanu, 2016). Luca and Ciobanu (2016) defined real estate marketing as the organizational process that deals with identifying, anticipating, and profitably satisfying customer requirements which trade real estate properties. It is stipulated that understanding the factors that influence customers' behaviour in real estate marketing are very relevant (DeLisle, 2012). Globally, few studies have been carried out on the customers' buying behaviour drivers or

influencers on customers of real estate market (Gibler and Nelson, 2003; Kokli and Vida, 2009). Real estate market is a wide-ranging issue and a particular concern for homeowners and those who intend to own first-time homes. Customers have experienced dissatisfaction and frustration in the form of settling in unwanted properties, struggling to pay their mortgages and becoming victims of repossession and forfeiture in the long run (Nyakutse, 2010).

Behavioural research is one of the principal methods used to understand the driving forces of real estate marketing from an objective, psychological and behavioural perspective (Bargh, 2002). Several behavioural theories have been established in the field of psychology that may be applicable to real estate marketing (DeLisle, 2012). Customer behaviour concepts including sociology, psychology and marketing can undoubtedly be beneficial to the study of real estate marketing (Gibler and Nelson, 2003).

The focus of the study is on real estate marketing in Ghana for many reasons. Ghana's real estate industry is underdeveloped, relative to other advanced countries (Research Department Bank of Ghana, 2007). Recent development in the Ghanaian economy indicates that the construction industry, including the housing sector, is booming. Notwithstanding the gradual improvement in housing supply, the market remains adversely affected by high rental unit costs and house prices (Research Department Bank of Ghana, 2007).

In recent times, most studies were conducted with the focus on trends of real estate sector, prospects and challenges of real estate marketing with few scholarly works being done on factors influencing customer behaviour towards real estate marketing with a focus on location and size preferences (Labib et al., 2013); customer perception and expectation (Khaled et al., 2012) and dimensions of customer satisfaction (Preko, Agbanu and Feglo, 2014 and Khaled, et al., 2012).

It is against this backdrop that, there is a need to conduct a comprehensive study on factors that influence customer behaviour towards real estate marketing. Therefore, this study seeks to examine how trust can serve as a factor in influencing customer behaviour towards real estate marketing. Real estate is mostly seen as the largest expenditure in most family budgets in Ghana. High cost in housing acquisition can burden a family budget, making it a constraint to other available resources for household needs such as utilities, healthcare, transportation, education and savings for retirement (Research Department Bank of Ghana, 2007). This is because customers do not very often purchase housing properties, they do not rely entirely on past knowledge when selecting housing properties to purchase; however, they undertake an external information search that influences their trust in real estate agents to build in line with their personal interests. Therefore, this study seeks to fill in this gap in real estate literature on factors such as trust that may serve as influencers between customers (potential and current) and real estates in Ghana (DeLisle, 2012).

## **Literature Review**

### ***Concept of Customer Behaviour***

Customer behaviour is defined as those activities that are directly involved in the purchase, consumption and disposal of products and services, including what precedes and follows these actions (Engel et al 2005). Alternatively, Schiffman and Kanuk (2010) stated that customer behaviour is the behaviour shown by customers in their search for the purchase, use, evaluation and disposal of the product, service and idea that they expect to meet their needs. Customers with experience also tend to be more confident in making decisions (Nyakutse, 2010). Customer behaviour is the study of individuals, groups or organisations in the selecting, purchasing, using and disposing goods and services to satisfy needs and desires (Kotler and Keller, 2011). For any organisation, customers are worthwhile assets. A customer is an individual or group of individuals who choose, purchase, use, or dispose of products, services, ideas, or experiences to fulfill needs and desires. In other words, customers are the final target of any goods or services (Vijayalakshmi and Mahalakshmi, 2013).

Customer behaviour involves trying to gain knowledge on the complexities of human beings and the reasons they act the way they do in a marketplace. The study of customer behaviour realizes that customer decisions take place inwardly with regards to distinction in personality traits and attitudes, yet there is similarity to exposure of external influences of culture and society (Kotler and Keller, 2011). Customer behaviour research allows for better understanding and forecasting not only of the topic of purchases but also of buying motivations and frequency of purchases (Schiffman & Kanuk, 2007). Most purchases decisions and leases of real estate are considered as a high involvement service which would require complex decision – making. Customers seek information to enable them to decide on how best to satisfy a need (Utkarsh and Medhavi, 2015).

The supposition is that a sequence of mental information processing precedes a purchase act. This involves a cognitive function in belief formation, an emotional component in the development of positive or negative attitudes and a reaction by being motivated to select and purchase (Utkarsh and Medhavi, 2015). Customer decision towards the purchase of products may largely depend on the internal and external determinants of customer behaviour. Internal determinants of customer behaviour is when each customer possesses a distinct combination of emotional characteristics. It focuses on several established customer behaviour classifications of internal characteristics such as motivation, trust, attitudes, perception, personality, self-concept and lifestyle (Khaniwale, 2015) External determinants of customer behaviour is when customers do not live or make a choice in isolation but rather depend on factors that may surround him that will affect the decision concerning real estate marketing (Khaniwale 2015).

This study seeks probe into what influences customers in the evolved set of the evaluation of alternatives and discusses the internal determinant of trust in real estate marketing in Ghana.

### ***Trust***

Trust has been conceptualized and defined by various scholars in literature. Conceptualizations of trust differ to a great extent. In fact, no single psychological or social element besides the notion that trust emerges under conditions of unknown outcomes is shared by the various conceptualizations of trust (Robins, 2016). Trust is generally conceptualized as a belief or expectation based on personal experience and on the trustworthiness of others (Cook et al. 2005; Paxton and Glanville 2015). Past studies have used the expression 'trust' for a number of purposes: to imply trust towards a business partner in business-to - business marketing; customer's trust towards a company, service provider or brand; and perceived trustworthiness of a company or a business partner. As a consequence, this practice has created some conceptual ambiguity in identifying and evaluating the definition of trust. However, more elaborate terminology and definitions of trust related to customer-firm relationships have been observed in recent studies. (La and Choi, 2012).

Other scholars are of the view that trust is generally inherited through cultural transmission and depends on an individual's psychological predisposition rather than on the expectation of reciprocity, personal experience or perceived motivation. (Dinesen 2011; Uslaner 2008). Customers trust others when there is a fair amount of knowledge about motivation and alignment with interest (Hardin, 2002). Additionally, the scope of trust can be attributed to what a person or a customer in particular may trust another person to do. This concerns with specific matters for which trust is placed. A customer may trust another person to do or not to do specific tasks or issue (Cook et al. 2005; Farrell 2009; Hardin 2002). Generally, trust also increases the customer's confidence towards a seller's pricing and offering (Huntley, 2005) which leads to the effectiveness and improvement of commitment.

Previous research posits that trust evolves through past experience, satisfaction and interactions (Chaudhuri & Holbrook, 2002; Johnson & Grayson, 2000). Trust is crucial also in real estate context in terms of building a quality buyer-seller relationship. With the non – existence of a physical market and the dynamic nature of real estate marketing, transactions such as selling property and assessing sales or rental prices is often provided with expert advice by real estate agents in order to earn trust of prospective customers towards real estate marketing. (Tuzovic, 2008). According to Richards (2004), non – human entities, such as real estate markets or corporations, do not operate without a human agent working on behalf of the organization and possessing a separate personality. As a result, it is unclear that there will be transactions in the real estate industry like any other industry without the agency doctrine and the experience a customer

may encounter based on the engagement with an agency determines their willingness to continue to purchase housing property or not (Wallace, 2009).

Consequently, trust influences customers' behaviour towards real estate markets, this is mainly due to the fact that customers behave aversely to relationship with agents they mistrust, scholars from the sociology field have argued that trust is a condition that is very necessary for exchanges in relations. Real estate agents' behaviours that are in conformity with and uphold the obligations implied by social norms generate trust (Singh and Sirdeshmukh, 2000). The real estate market has in recent times experienced the influx of untrained agents in the property trade operations as estate agents in Ghana (Mahama and Antwi, 2006). Most unprofessional estate agents do not have a registered company, no formal education or training on the subject matter, thus lacking expertise in areas required for property acquisition and disposal. Many existing institutions with trained professionals working as real estate agents often deal with properties of a certain class within a certain price range targeted at high-income earners leaving space for the less scrupulous and unprofessional real estate agents to operate in to low income areas which tarnishes their image and lower the trust earned by real estate customers (Mahama and Antwi, 2006). In the light of all these accompanying challenges that may affect customers' trust, this study seeks to determine the extent to which trust affects the sector of real estate marketing in Ghana which in turn influences their behaviour towards real estate agents in Ghana.

## **Study Setting and Research Methodology**

### ***Study Setting***

To fully appreciate customers' trust towards real estate marketing in Ghana, the study was conducted in the Kumasi Metropolis, the second largest city in Ghana. Kumasi as the regional capital of the Ashanti region covers a geographical area of 214.3 sq.km. (Ghana Statistical Service, 2005). An average population of 1,730,249 estimated by the Population and Housing Census in 2010 with an average of four persons in every household (Ghana Statistical Service, 2014). Economically, the sector in Kumasi is dominantly informal as over two thirds of the working population are engaged in the informal sector (Ghana Statistical Service, 2012). The location of houses in Kumasi is usually situated in the peri-urban areas such as the cities and suburbs. Homeownership in Kumasi is mainly achieved through self-building for family needs or business purposes (Adu – Gyamfi, 2018).

According to the Bank of Ghana (2007b), housing is a major component of household wealth, especially for low-income households, and there is no doubt that housing wealth is becoming increasingly important in the Ghanaian economy. As a result, for many households and the larger

Ghanaian community, ownership of a house is one of the most valuable assets to be acquired because of its very value in terms of social and cultural symbolism; as a means of savings and stability, as well as a guarantee of an old-age home (Teye et al. 2013). The 2010 Population Census reported that 30.1 per cent of the population of Kumasi lived in a house owned by a household member, 18.8 per cent in a house owned by a relative who is not a household member, and 44.3 per cent in a house owned by other private individuals. (Ghana Statistical Service, 2014). Only 2.6 per cent of the population live in public / government housing. (Ghana Statistical Service, 2014). The most common types of housing units are rooms in compound houses (55.9 per cent), stand-alone houses (16.4 per cent), apartments (12.9 per cent) and semi-detached houses (8.7 per cent) (Ghana Statistical Service, 2014).

Over half of individuals seeking housing opt for rented rooms in compound houses due to low and affordable rentals. (Ghana Statistical Service, 2014). It is the dream of many households and families to own a house in Ghana. For some individuals it can be attained incremental building. In particular, the process of incremental building is inevitable for low-and middle-income individuals, given the high interest rates on mortgages and the high cost of building materials, however, others with the ability to engage in real estate markets do so, all with the dream of being a homeowner (Ghana Statistical Service, 2014).

### ***Research Methodology***

To understand respondents' behaviour based on trust towards real estate marketing, this study utilized a qualitative approach. The qualitative approach provided the use of exploratory methods to obtain a description of events and phenomena. (Sandelowski, 2010). With this method of investigation, qualitative methodology seeks to provide a description of events in order to enhance a clear and rich understanding of the phenomenon (Neergaard et al., 2009). Imperatively, qualitative methodology allows a researcher to explore the world of the respondent as a means of discovery and interpretation of a subject of interest (De Vos, 2002). This offers an original framework for interactions that are unique, informative and knowledge-rich to explain the social experiences of the respondents (Holloway, 2005).

### ***Sample and Data Collection***

The objective of the study was to appreciate respondents' perceptions about real estate marketing in relation to their trust levels. The choice of Kumasi for the study was because of widespread individuals' house ownership within the city. Additionally, respondents selected for the study included heads of households, individuals in single rooms and occupants of rented houses who were in the process of building a house. The lack of a readily accessible database on house owners and renters necessitated the use of convenience and snowball sampling where the sample was taken

from a group of customers (potential and actual) of real estate marketing to identify respondents. Individuals who were heads of households, house owner or in the process of acquiring a house were willing and available to participate in the study. The investigation comprised of thirty (30) potential and actual customers of real estate marketing.

Data collection was achieved by in-depth respondent interviews. The respondents were interviewed using a semi-structured mode (Tracy, 2010). The researcher avoided interview bias by showing impartiality as well as having two interviewers to collect the data to maintain a neutral approach to each interview. The narratives of respondents obtained by interviews served as the primary data for analysis and it involved potential and actual customers of real estate markets within the Kumasi Metropolis. Additionally, the interviews were obtained with the use of a digital voice-recording device (Tracy, 2010) which lasted averagely between 20 to 30 minutes. Majority of the interview were conducted in English with a few interview conducted in the Ghanaian Twi language which was later on translated and transcribed into English.

### ***Data Analysis***

In identifying, analyzing and interpreting patterns of meaning, the steps suggested by Braun and Clarke (2006) for thematic analysis were utilized to arrive at categories, constructs and concepts as emerging from the transcribed interviews. In addition, field notes taken were added to the transcribed interviews in order to arrive at a complete collection of data for analysis. The combined data set were read several times and the relevant text units were specified at the same time for familiarization purposes. Key terms that originated from transcripts were formed into codes for the purpose of verifying the accuracy of the data captured. Codes were interpreted with shorthand connotations and used to define patterns in transcripts. Additionally, the use of colored highlights pens was used to illustrate various concepts and ideas. The reliability of the data was ensured by cross-checking of the themes with transcripts to ensure accuracy and continuity. (Fereday and Muir-Cochrane, 2006)

### ***Respondent Characteristics***

A total of 30 respondents were interviewed with a semi-structured mode enquiry. This study sought to explore e customers' behaviour towards real estate marketing alongside its influencing factor of trust, therefore the respondents were potential and actual customers of real estate marketing within the Kumasi Metropolis. From the interview, 18 out of the 30 respondents were male representing 60% and 12 out of 30 respondents were female representing 40%. Of those interviewed, 22 out of 30 respondents were married representing 73% and 8 out of 30 respondents were single representing 26%. With regards to the respondents' educational level, 3 out of 30 respondents hold a PhD representing 10%, 10 out of 30 respondents hold a Master's degree representing 33%, 6 out of 30 respondents hold a Bachelor's degree representing 20%, 1 out of 30 respondents holds a

MBCHB representing 33%, 1 out of 30 respondents holds a Professional degree representing 33%, 4 out of 30 respondents hold an HND/Diploma representing 13%, 2 out of 30 respondents are Senior High School graduates representing 7%, 2 out of 30 respondents are Junior High School graduates representing 7% and 1 out of 30 respondents holds an informal education representing 33%. Additionally, potential and actual customers were asked whether they would either prefer to buy or purchase a house or build. 19 out of 30 respondents preferred building their own houses representing 63% and 11 out 30 respondents opted for purchasing their own houses representing 37%.

*Table 1* presents the major respondents summary. The main themes found from the data are discussed in the presentations of the findings below:

**Table 1:** Summary of Respondents

<b>Variables:</b>	<b>Total (n = 30)</b>
<b><i>Gender:</i></b>	
Male	18
Female	12
<b><i>Marital Status:</i></b>	
Married	22
Single	8
<b><i>Educational Level:</i></b>	
PhD	3
Masters	10
Bachelor's	6
MBCHB	1
Professional	1
HND/Diploma	4
SHS	2
JHS	2
Informal	1
<b><i>House Acquisition:</i></b>	
Buy a house	11
Build a house	19



## RESULTS

63% of the respondents indicated that trust has an influence in their decision making towards real estate marketing when asked about how well they trusted real estate companies or artisans in general. The low level of trust in real estate companies by some respondents led to the decision of building their own houses rather than purchasing. Questions were asked to assess the level of trust respondents have towards real estate marketing with regards to artisans' capability to build to suit preferences as well the spacious environment of estate houses. These questions were asked to mainly to differentiate between respondents who opted for purchasing a house and building right from scratch. Further questions were asked as a follow-up to provide a reason why a respondent may choose any of the options. This led to a detailed description of their trust levels towards real estate marketing.

### *New business sector as a reason for low level of trust towards Real Estate Marketing*

The advent of real estate markets as a new business sector in Ghana accounted for the reasons for respondents' low trust levels. The skepticism of new businesses in Ghana results in customers' reluctance of engaging in business transaction due to fear of running at a loss or the inability to meet expectation. A respondent, for instance, gave a description of the skepticism in engaging in a transaction with a new business sector such as real estate marketing:

*“Well, you know, real estate marketing is quite new in Ghana. I have my doubts that the company or the agents may be able to deliver up to standard. There have been new businesses in Ghana which have failed in delivering value to customers. So with this new sector in Ghana, it's good but personally, I just don't trust their ability to meet my expectation. I just don't want to take that risk”.*

In addition to skepticism concerns, the issue of fear of deceit as one of the factors of low trust levels towards real estate marketing was raised. The fear of engaging in real estate activities because some new businesses in Ghana may not have the capacity to deliver contributed to the low levels of trust and therefore there is the need for customer to be “smart” as indicated by a respondent:

*“Oh yes! You see, when it comes to issues like housing, you must be very smart as that is one of the areas of your life where investments are made.*

Overall, it can be asserted that it is difficult to gain customers' trust towards real estate marketing especially as it is an emerging sector in Ghana with its accompanying negative perceptions. For some, the process of possessing a house is deemed as a life-long investment hence the skepticism

and the probability of incurring losses deters most prospective customers to engage in real estate marketing.

***Negative behaviour of real estate agents as a reason for low level of trust towards Real Estate Marketing***

The influx of untrained agents of real estate markets and their dealings have affected the trust levels of customers negatively in of most emerging economies. This dominated their reasons for low patronage of real estate marketing especially in Ghana. Generally, the negative behaviour of agents or artisans in real estate companies has influenced customer decision towards real estate marketing with trust issues as an influencer. Five (5) respondent opined their reasons below:

*“Oh as for behaviour, you and I know that, it can influence either positively or negatively. Personally, I don’t trust real estate agents. Some are unscrupulous in behaviour. They are not true to their words. I mean, some can even go to the extent to attract with any means possible just to get your attention and then after you have engaged with them, you’ll realize that you have been cheated. It’s a serious matter! Just imagine, in this hard economy like ours, people will do anything to rob you off”.*

Real estate agents represent the real estate market, hence unscrupulous behaviour by agents in the long run affects the probability of prospective customers to engage in business with them as indicated. It was also identified that respondents placed much emphasis on the inferior building materials used by some real estate companies as another reason of low trust levels, when a question was asked on the construction of artisans in real estate companies as an influencer to customer decision making, this is what was posited by some respondents:

*“Exactly dear! I don’t know if you have noticed, but as compared to the developed countries, the way houses are built here is totally different. I don’t know if there can be something done about that. Most artisans do not build according to preference and even if they do, the materials they use is something to cry about!”*

Customers engage in high involvement decision making such as with regards to purchasing a house. Thus, customers tend to make comparisons before the purchase decision. A lot of information is gathered by customers (potential or actual) based on so many other factors which help in the purchase decision. As indicated, customers make comparison based on the difference in building materials and preferences and this in turn affects their trust towards real estate marketing:

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*“Oh yes. Most buildings sold by real estate agents are built inferior besides I want to build a house that best suits me in terms of the home space”.*

*“I just don’t think that they can build to my preference and not only that how sure will I be if they decide to build the house anyhow?”*

However, the behaviour of most businesses in Ghana are not entirely customer- centric hence poor working attitudes, one respondent affirmed this by attributing the poor behaviour of artisans to laissez-faire attitudes of some Ghanaians in a working environment:

*“Oh, I sort of trust them. I think they are okay although some may prove to be untruthful but hey, what can you do, such behaviour is not only seen in artisans but in most of our workplaces”.*

Generally, respondents rendered the unscrupulous behaviour of artisans in real estate marketing, untruthfulness of some real estate agents to lure customers (prospective and actual) into purchasing a house, the inability to meet customers’ preferences as well the general poor attitudes of individuals in workplaces in Ghana goes a long in influencing their trust levels of customers in the Kumasi Metropolis.

### ***The fraudulent activities of real estate companies as reason for customers’ mistrust***

The fraudulent activities of some real estate companies in Ghana was one of the issues raised in the low level of trust of customers towards real estate companies. Instances of fraud have often plagued the real estate sector. In the absence of any regulatory authority overlooking the sector and commanding its transactions, this sector has witnessed entry of some unscrupulous players, who cheat investors big making false promises. The fear of fraudulent activities by the respondents of real estate markets are outlined below:

*“Some agents are frauds ooo, they give false promises raising your hopes and expectations and even lure you to buy the house, so if you don’t have someone with the expertise and knowledge, you will lose absolutely everything!”*

*“This is just fraud! Some are not even registered. They give you the impression that they are the world’s best and once you transact with them, you will end up regretting and wishing you had never met them”.*

*“If you engage with a new business here in Ghana and you are naïve, you will really bear the consequences of losing it all”.*

*“If you don’t take care you will be deceived into buying a house property you never wished you did, so to avoid all this fraud by these real estate businesses it’s better to get a representative”.*

The fear of fraudulent activities by either real estate companies or agents has contributed to their mistrust in engaging in business with the sector. As indicated, customers do not want to be cheated by such activities and would either resort to having an expert to guide them when naïve or simply not engaging in business with the real estate companies in purchasing a house property.

***Lack of complete information and transparency of Real Estate Marketing***

Non-disclosure of facts related to the property is one of the key causes resulting in a conflict or mistrust. In every business, there is the need to disclose any relevant information to prospective and actual customers. Additionally, lack of transparency by real estate companies often causes mistrust amongst prospective buyers. As compared to some of the other sectors, real estate sector is not known for readily available information. These were some of the causes of mistrust by the respondents interrogated:

*“Not only that, some real estate companies are not transparent in disclosing relevant and readily available information”.*

*“Sometimes, I think that there is inaccurate and ambiguous information which results in misunderstanding between the real estate companies and the customers”.*

*“Some real estate companies who are not well-known provide incomplete information and this may be mainly due to their inability to keep important records”.*

*“I don’t trust those people at all. They tend hide certain things from you, the buyer. You will buy the house and they will come telling you stories that you have to pay for this and this, meanwhile they never told you of anything previously”.*

Evidently, customers disregard any business that does not disclose relevant information. Information to the customer is key in assisting in their purchase decision, without such details and lack of transparency, customers tend to defer in their transaction with real estate marketing.

***Delay of possession as a reason for low level of trust towards real estate marketing***

For some instances, the construction of projects often gets deferred due to delay in getting a number of necessary approvals like environmental clearance. The long processes involved before acquiring a house property serves as a deterrent to most prospective buyers of real estate markets in the Kumasi Metropolis of Ghana and one of their causes of mistrust towards real estate marketing:

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*“Personally, it’s just the delay in possession of the property. After you have managed to purchase a house from them. They will give you stories before you are able to finally possess the house. Today you will go and they will say that there are challenges here and there so come again another time, you will go the next day and still! Another story, hmmmm... every day with its own story before you would be able to possess the house you have managed to purchase”.*

*“Just have a look at how long it takes to finally acquire the house from such companies with no regulatory guiding them, they delay too much. I don’t know if it is just here in Ghana”.*

*“My dear, it’s expensive and even it can even take you so many years to finally become a homeowner of a real estate house. The documents like the environmental clearance can take ages. Hoh! I’d rather I build where I can calculate how and when I would be able to finish and actually become a homeowner”.*

From the issue raised by the respondents, one common factor with regards to this theme mentioned was that after payment for a housing property has been made, the customer would have to wait a while for the real estate markets to sort out real estate legal documents before having the access to actually own and live in one. This process discourages and causes mistrust by customers towards real estate marketing.

### ***Lack of maintenance in related issues, a cause of customers’ mistrust towards real estate marketing***

The maintenance expenses for housing properties may include lawn care, garbage disposal, plumbing, electrical and roof repairs as well as replacement of worn-out appliances. Additionally, homeowners must also make payments to related insurance premiums which may cater for the any damage from natural events such as severe storms, fire or floods. However, the lack of maintenance of some real estate companies has contributed to the level of low trust of some customers in the developing countries such as Ghana:

*“Let’s even look at the maintenance of these real estate companies, ah! Sometimes you may have to pay a huge amount for maintenance on maybe a quarterly or annual basis, however, the repairs or maintenance are hardly done as and when expected which is really poor”.*

*“Erm, for the maintenance aspect, I think it might be mainly because most businesses here do not take maintenance issues into concentration so it is not just with regards to real estate companies but every building here. We wait for the property to deteriorate before we think of maintenance which is not good. So this issue of maintenance doesn’t cause any mistrust for me. Generally, this is the culture here!”*

Evidently, customers who have purchased housing properties from real estate expect that maintenance and other housing related issues must be done periodically as there are charges for the upkeep of the housing properties. The one-off maintenance of real estate markets turns prospective customers away. It is therefore, imperative that real estate markets in Ghana to involve in high maintenance activities to win the trust of customers which lead to acquisition and retention of customers.

***The willingness of customers' trust towards Real Estate Marketing***

Despite the negative response from respondents, there were some positive feedback from other respondents encountered. For instance, one respondent acknowledged that although real estate markets' dealings were unpleasant in previous years, they have gained his trust now as there has been a change in behaviour:

*“Oh yes! Most real estate markets are doing superb in their dealings unlike before, they have truly gained my trust and I would gladly purchase a house from any real estate company.”*

This goes on to show that although customers are influenced by negative behaviour of real estate markets, there is the tendency of customers' willingness to trust and transact business with them so long as the behaviour and dealings turn positive over a period of time. To follow up, a respondent who has trusted real estate markets due to their past relationship and credential of agents alluded that real estate companies do an excellent job:

*“I have been engaging with real estate markets some time back. In fact, the house I'm currently living in was purchased through one real estate company” ..... “Oh yes, with my last dealings with them, they did an excellent job”.*

Contrary to the view of real estate inability to build to suit preferences, one respondents attested that they build elegant houses as seen from other customers of real estate markets:

*“Oh I trust them. I have seen a few of my friends' houses and I must say it is simply elegant”.*

In terms of meeting the expectations of customers, a particular respondent stated that real estate markets have the capacity to deliver:

*“Well enough. I mean, my sister bought her house through a real estate agent and the house is very nice. So looking from the perspective of my sister, I could say that I really trust that real estate agents can deliver”.*

The convenience provided by real estate markets have also gained customers' trust as affirmed by respondents who do not have the time and effort to start from scratch. This dominated their reasons to buy from real estate markets rather than to build:

*"Simply because I do not have the time. Even right now you can bear witness".*

*"Well my main reason is time. Because of the nature of my job I can't get time to supervise the project. I do also travel a lot. Another reason is I can't trust anyone to build for me".*

*"My reasons are time constraints and lack of trust for those building houses".*

*"Yes, because of exchange rate issues prices of building materials keep on increasing every day. Building takes time so by the time you finished build one would have spent a fortune. As a bank I can take loan at lower interest rate and buy".*

*"I would buy because of limited time and comfortability".*

*"Why not! Real estate saves time and effort".*

*"There are so things involved when it comes to building and somehow it takes time effort as compared to buying a house".*

*"Time constraints, I don't have time".*

The availability and willingness of real estate agents to listen to customers' suggestions attentively and contributing to arrive at a right decision has gone a long way to gain customers' trust towards real estate companies:

*"Also, most real estate companies have the patience to listen to you. They do their best to make sure they meet the final goal of getting you what you want".*

*"They even helped with arriving at an excellent decision. I was so confused but the real estate agents really helped me".*

It can be seen, undoubtedly, that customers are willing to engage in real estate marketing provided that there is a change from unscrupulous activities by agents or from the company itself. The capacity to deliver is very key to customers of real estate markets. Hence, customers only trust real estate markets who have the capability to suit customers' preferences. The convenience provided by real estate marketing goes a long way in gaining high trust levels of customers. Past experience and credentials of agents goes a long way to increase the trust levels of prospective and actual customers. It was also seen that customers prefer to engage and even trust real estate companies

who are always available and willing to listen to customers' suggestions and assisting them to arrive at a right decision as well as making promises and keeping them. From the interviews, it envisaged that customers place much emphasis on time and trust real estate companies to provide that need of convenience in the search of buying a house.

## **DISCUSSION AND CONCLUSION**

The context of real estate marketing in emerging economies has not been entirely explored by marketing scholars. As a result, this study examined the trust levels of customers towards real estate marketing in the Kumasi Metropolis, Ghana. Unlike the developed countries where housing properties are easily acquired, the sector of real estate markets in emerging economies such as Ghana in particular entails huge financial investments. The majority of Ghanaians become homeowners through building or even incremental building depending on the financial strength. Although building right from scratch is utilized by the low to middle income earners due to the low trust levels they have towards real estate markets in Ghana, other customers prefer to purchase from real estate marketing. Various themes were derived during the respondents' interviews to delve into the aspect of the causes of trust and mistrust towards real estate marketing. Fraudulent activities, unscrupulous behaviour delay in possession as well as other factors were some of the causes of mistrust. Despite the mistrust towards some real estate markets, others attributed comfort, convenience and positive relationships and other benefits resulting to a positive cause of trust towards real estate marketing.

From the analysis, respondents reported positively and others negatively towards real estate markets in the Kumasi Metropolis, Ghana depending on their experience. This is in conformity with the study of (Nyakutse, 2010) where customers may have experienced either a satisfaction or dissatisfaction from the activities of real estate markets and this may in turn influence the trust levels as posited by the studies of (Chaudhuri & Holbrook, 2002; Johnson & Grayson, 2000). Customers judge their dealings with real estate markets based on their past experiences and this in turn affects their trust levels to engage in business. Customers who may have encountered a negative experience with real estate markets tend to refrain from purchasing housing properties from the real estate sector while customers who may encounter a positive experience with real estate markets tend to be more willing to transact business with the sector. Thus, the experience the respondents encountered had an influence on their trust levels towards real estate marketing.

Additionally, respondents attributed their trust level based on the doubts of real estate markets to deliver as it is sector that is quite new in an emerging economy such as Ghana. This finding is in consistence with the (Research Department Bank of Ghana, 2007) which states that unlike other developed countries where real estate sectors have stood the test of time in terms of capacity to deliver, Ghana's real estate industry is however undeveloped. The rate of adopting a new product



or services takes a while as compare to developed countries. A newly business in developing countries mostly do not stand the test of time. This may be due to many reasons such as the inability to suit customers' tastes and preferences, insufficient market research or even intense competition. Customers usually have second-thoughts about new sectors in Ghana mainly because of fear of business collapse. Hence, customers are reluctant to trust real estate companies, a new sector in Ghana. This posits that customers depend on psychological predisposition.

With regards to the behaviour of real estate agents, the findings revealed that it has an effect on the trust levels of customers towards real estate marketing. These findings are consistent with what a customer may trust another person to do or deliver a specific task (Cook et al. 2005; Farrell 2009; Hardin 2002). In relation to this, respondents affirmed the usage of inferior materials as another factor that affects their trust levels which is line with the studies of (Mahama and Antwi, 2006). The unprofessional activities of some real estate agents in recent times has played a negative role in the real estate markets. The real estate companies are businesses that involve an agent working on behalf of the organisation therefore unscrupulous behaviour of real estate agents affect the transaction between customers resulting to low levels of trust. The fraudulent activity of some real estate companies has contributed to mistrust of customers of real estate companies. Customers have the ideology that real estate markets have the tendency to squander all investments for their gain. This is consistent with the study of (Singh and Sirdeshmukh, 2000). Customer form their mistrust towards real estate marketing that do not uphold obligations implied by social norms but rather by fraudulent activities. Respondents attributed the fraudulent activities of real estate agents as one of the key causes of their low level of trust towards real estate marketing.

The findings also revealed that the inability to build to suit preferences are one of the reasons that affects their trust levels as to whether to continue to do business or not as stipulated by (Wallace, 2009). Additionally, respondents pointed out real estate agents have a laissez-faire attitude that has contributed to their low level of trust. This confirms the study of (Mahama and Antwi, 2006) which stated that the unprofessionalism of real estate agents is as a result of no formal education or training which results in the lack of expertise in the real estate sector. The lack of relevant information regarding housing property was revealed as one of the causes of mistrust towards real estate marketing. In customer buying behaviour, information is essential to decision-making especially towards high involvement services. The lack of relevant information disables customers to make a right decision to satisfy a particular need. This is in resonance with (Utkarsh and Medhavi, 2015). It was revealed that some real estate markets are not transparent and do not disclose information only until purchase has been made. This causes customers to refrain from engaging in such a sector to avoid being deceived and lured to purchasing a house property.

It was also envisaged from findings that delay of possession after all necessary payments have been made also cause mistrust towards real estate markets by customers. This is mainly because customers expect that once payment has been made for any product or service, the exchange must not take so much time. Customers become worn-out when the processes involved in finally possessing a house property takes a longer period. It was revealed that most customers complained that real estate agents come up with excuses on certain issues resulting to the delay in possession. Customers would rather prefer to build than to purchase from real estate markets to avoid delays in owning a house property. Additionally, maintenance issues were raised by customers of real estate markets. It was revealed that most real estate companies charge for maintenance related issues to the residential society on an annual or quarterly basis, however, little to no upkeep of the housing properties have been made regardless of the charges, leaving customers frustrated. Others, however, attributed the low maintenance to not only the real estate sectors but to almost all properties in Ghana, concluding that most individuals actually wait for properties to deteriorate before thinking of renovation or maintenance.

Despite the many cause of low trust levels, the findings however, revealed respondents who had a positive attitude towards real estate marketing. Respondents affirmed that although there were some unscrupulous behaviour of some real estate companies, there has been a change in behaviour and therefore has contributed to their positive behaviour towards real estate markets in the Kumasi Metropolis, Ghana. This is stipulated by (Hardin, 2002) which concludes that customers trust businesses when there is an amount of knowledge and alignment with interest. In addition, respondents stated that real estate companies in Ghana are convenient and time saving as they may not have the time and effort to build from scratch. The credentials from some real estate markets proved to increase customers' trust levels as customers would be at ease to transact business with companies that have excellent credentials. Also, customers rely on the power of word-of-mouth as well as testimonials from other customers of real estate markets who attest that some real estate companies do an excellent job by building elegant houses, this confirms the study of (Chaudhuri & Holbrook, 2002; Johnson & Grayson, 2000) where trust is gained by past experience, satisfaction and interactions with others. The availability and willingness of real estate agents to listen to customers also contributed to a positive trust level. Customers are more likely to trust companies that transact business with companies that have the patience to listen to their suggestion or contribution to arrive at a right decision. For some customers, their level of trust towards real estate marketing is high because the ability of making promises and actually keeping them and this act encourages them all the more to continually engage in real estate marketing.

The study discussed how trust affects customers' behaviour towards real estate marketing and hence, its relevance in identifying trust and mistrust of customers, both potential and actual in emerging economies. This study of assessing customers' trust helps in gaining more insight as to why customers may prefer to either build or purchase housing properties within the Kumasi

Metropolis of Ghana. This study also identifies some of the causes of mistrust in to acquiring housing properties through real estate companies. The causes of mistrust were mainly due to the activities of real estate companies as well as agents. The findings revealed the need for regulations to be put in place to supervise the activities of real estate markets to ensure customers patronage of the sector in emerging economies. Further studies should be conducted to examine the other factors that may affect customers' behaviour towards real estate marketing in order to help stakeholders in such sectors to gain insight as to how to acquire and retain customers in Ghana.

### **Scope for future research**

This study can be conducted in other cities of Ghana to get a holistic approach of the factors influencing the choice of real estate. Expanding the demographic variety can also help in understanding the future potential in marketing real estate industry.

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