

Buyer Motivations = Human Needs

Selling is simpler when you understand the reasons for buying.

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The art of selling involves the basic skill of matching a product and a buyer, bringing together the particular item that meets a particular buyer's need. Most consumer products have a number of aspects that can be emphasized to prospective buyers, whether it is the sound investment value of the purchase, the economical operation of the product, or the pure emotional appeal of ownership. Housing is certainly no exception. In fact, buying a home may satisfy more wide-ranging consumer needs than any other purchase.

A product with such potential appeal provides the residential salesperson with a rich variety of marketing approaches. However, the housing market is highly segmented; prospective buyers have individual preferences that must be reconciled within their budgets. This situation requires the successful salesperson to use some ingenuity in finding ways of matching the available supply of homes within each price range with those buyers who are both willing and able to purchase those homes. This task may be simplified by understanding the basic human motivations each buyer and how these drives relate to the decision to buy a home.

The theory of human motivations based on a hierarchy of needs can be combined with several basic attributes of housing to match certain housing characteristics with various kinds of buyers. By determining the motivational level of a prospective buyer, the salesperson can focus more quickly and accurately on the type of home most likely to suit him.

What Housing Offers

Economist Wallace Smith has provided a concise description of the multidimensional nature of housing. According to his analysis, housing fulfills five types of needs:

1. Shelter—A home offers basic protection from physical discomfort or harm. A roof over one's head provides protection from the elements or any other threat to well-being.
2. Privacy--A home also can provide protection from unwanted social contact. Most people want to be able to control the extent of their communal exposure. They desire separate shelter for their family group and, within that context, they also want some form of privacy for each individual.

3. Location--Because homes are generally immobile, most people want them located conveniently in relation to other important points -place of employment, schools, shops, recreational facilities, and transportation.

4. Environmental amenities--The characteristics of the surrounding area--the community or neighborhood--are important considerations for residents. These may include the appearance of the neighborhood, the quality and cost of public services available, social environment, absence of noise and pollution, and any prestige attached to the area.

5. Investment--As housing is a form of wealth, the purchase of a home represents an important investment.

Homebuyers, in general, desire a certain amount of each of these facets. And the marketing process should appeal to each dimension of need. However, the match-up of individual buyers with specific properties is complicated by the difference in each person's perception of desirable home features. Some buyers place a priority on space and comfort, whereas others insist on a particular type of neighborhood. The salesperson's key lies in understanding the motivations.

What People Want

Psychologist Abraham Maslow generalized a very useful theory of basic human motivation. He proposed that human needs form a hierarchy. As each need becomes satisfied, the individual is motivated to seek the next level of need satisfaction. Until a lower-level need is satisfied, most people give little regard to higher needs. The important contribution of Maslow's hierarchy theory is the consistent order in which needs are perceived. The hierarchy consists of five main levels:

1. Physiological--The most basic need is for the fundamentals necessary for physical survival. Obtaining the means for basic subsistence is all-important.

2. Safety and security--After a person has satisfied his immediate physical needs, he desires some guarantee that future needs will be taken care of.

3. Belonging--At this level, a person seeks to be accepted by others, to be loved, to develop an intimate circle of family and friends.

4. Esteem--More so than companionship, a person is motivated by a need to be respected by others, to establish a favorable reputation or level of status

5. Self-actualization--At the highest level, a person seeks to construct and fulfill a system of personal values by discovering what is essential to his personal happiness.

The Match-up

Now it's time to see how to apply the levels of the motivational hierarchy to the levels of needs supplied by

housing. For simplification, several of Smith's dimensions of housing are combined. Shelter and privacy form a "physical" dimension; location and amenities combine into a "social" dimension; and investment represents an "economic" dimension.

Exhibit I shows the housing characteristics desired by buyers at each motivational level. Rather than

portraying one type of homebuyer as typical of the market, this chart describes five types of typical buyers. The group into which any prospective buyer falls depends on his available budget for housing, life experience, family status, and lifestyle aspirations. In a good qualifying interview, the salesperson can gather a lot of information to help classify the prospective buyer.

At the physiological level, cost and convenience are paramount considerations. Buyers at this level are usually either extremely limited in funds to devote to housing or place a low value on housing compared to other needs. The primary concern is obtaining housing that is basically sound, equipped with certain minimum facilities, and relatively convenient--all at a minimal cost. Many people with this motivation seek rental housing, but some may be interested in and able to afford lower priced homes.

Prospective buyers at the safety and security level usually are seeking housing that provides more privacy and freedom from the vagaries of the rental market. These may be first-time buyers who are looking for small "starter" homes or perhaps manufactured homes.

At the belonging level, buyers emphasize the social aspects of a home. They seek to take their place among their social peers and perceive their home investment as a qualification for entering into a society of property owners among whom they may share their aversion to crabgrass and property taxes as well as their admiration for well-kept lawns and good schools. They may be buyers wanting to move up to a larger house or a better neighborhood. Beyond privacy for the family unit, they desire privacy for each individual. More than freedom from hostile elements, they desire locations that are close to friends and socially compatible neighbors.

The buyer at the esteem level seeks more than pure functional value in a home. He looks for especially desirable features- -attractive appearance, prestige location, and future appreciation in value of the property. The esteem group is the market for high-priced homes in the most prestigious neighborhoods.

The self-actualization buyer is the most difficult to categorize because his prime motivation is to develop and express individual tastes and values. He may be looking for a house with facilities for specialized pursuits such as an art studio, a study, or a workshop. His home may be viewed as a way of expressing commitment to a specific set of values--renovating an old home or restoring a historic property, applying alternative sources of energy or unconventional designs.

A Practical Application

Buyer motivation is a key ingredient in any sale. And being able to relate human motivations to housing characteristics is a useful tool in producing a successful buyer-listing match. Financial qualifications are a valuable guideline but usually only establish an upper limit. It would be a mistake to assume that a person with ample funds has satisfied all lower-level needs or that individuals with currently limited incomes are unwilling to extend themselves to satisfy higher-level needs.

The problem is that a prospective buyer may not be able to clearly articulate his needs. Priorities often change as a prospect becomes more familiar with the realities of the marketplace, but education through showings can require a lot of time from a salesperson.

A few minutes spent uncovering the underlying reasons and the human motivations can result in more satisfied buyers and more sales in a far shorter time.

References

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Exhibit I **Demand for Specific Housing Characteristics** **at Various Levels of Human Motivation**

Motivation Level	Dimensions of Housing Characteristics		
	Physical	Social	Economic
Physiological	Sound structure offering basic facilities	Location convenient to employment and transportation	Lowest possible cost
Safety/security	Adequate privacy for family unit	Freedom from environmental hazards and uncertainties of rental market	Ability to exercise control over home environment
Belonging	Adequate privacy for each individual	Socially compatible neighbors	Acceptance into community of other homeowners
Esteem	Attractive home design and landscaping	Prestige address	Pride in owning an asset with appreciation potential
Self-actualization	Facilities for avocational pursuits	Proximity to aesthetic, cultural, and recreational interests	Expression of commitment to specific set of values

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