

# Impact of Environmental Issues in Property Marketing Strategy

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## Abstract

The existence and flourishing of biodiversity in the vicinity of residential properties tend to have conspicuous effect on property marketing (Reed 2005). Many urban dwellers prefer healthy environment, which is free from air, water and sound pollution (Reed 2005). This article delves to identify the impact of environmental coexistence on property marketing strategy as its objective. Review of relevant materials suggests that people residing in environment including woodlands, parks, swimming pools, were physically active (Reed 2005). Activity in natural environments is associated with a lower risk of poor mental health (Reed 2005) The green natural environment can protect the mental illness and it also help to create a peaceful mind (Reed 2005). Scientifically, human are healthy when the natural environment is thus, convenient (Wood, 2009). Currently the housing industries are developing the green and healthy environment to full fill the needs of customers as much as they can in the cities areas (Wood, 2009).

**Keywords:** Environmental issues, biodiversity, residential property, marketing strategy

## 1. Introduction

In this modern era, many people reside in the cities all over the countries, half the world's population now lives in cities, by 2030, 60% of the world will reside in the urban areas and by 2050, the population is likely to reach 75% (Richmond, 2012). Much of the urban growth will come from cities in Asia, especially China and India (Richmond, 2012). It is absolutely true that people are looking at the environment of their housing surrounding if the environment is healthy and natural most of them want to live in that area (Richmond, 2012). Majority of the housing property business organizations are using this strategy to expand the business in the market of residential properties (McDilda, 2007).

## 2. Concept of the Environment

It is a great responsibility for the property business organizations to save both property and natural environment (McDilda, 2007). Environment literally means surrounding and everything that affect an organism during its lifetime is collectively known as an environment (Wood, 2009). In another words "Environment is sum total of water, air and land interrelationships among themselves and also with the human being, other living organisms and property" (Wood, 2009). The environment of human being is the surrounding of people leaving area it is very cleared by this definitions that the surrounding of human activity. Most of the expertise are defined that the human activities is the human leaving area on the other hand no human activity with natural surrounding that is a jungle, in the jungle the activities by the animals or others but not human.

### 2.1 Concept of the Green Environment

Green environment refers to the health impact of what we do on living things (Richmond, 2012). So the green environment is primarily a health related issue in housing. In fact, indoor air quality is a big factor in the green environmental areas. Sick building syndrome was the result of poor indoor air quality, which is the antithesis of green environment (Anwar, 1996; Mukono, 2000). Green is the symbolic colour of environmentalism and sustainability (Richmond, 2012). In many cultures, green is the colour associated with nature and growth. Anything can be green from energy policy to building design, building design encourage people to be more responsible with natural resources and the green environment, (Richmond, 2012).

### 2.2 Concept of the Housing Environment

Housing is a group of home that serves as the residence or dwelling which is equipped with basic environmental infrastructure, as the complete physical natural environment, such as water supply, waste disposal, availability of electricity, telephone, roads, allowing neighborhoods to function appropriately (Anwar, 1996; Mukono, 2000). The house is a place to release the fatigue, the place to hang out, and foster a sense of kinship among family members, a family shelter and store of value, and the house as well is a symbol of social status (Anwar, 1996; Mukono, 2000). The house is composed of the physical structure of the room, yard and surrounding area used as a place to live and a means of family formation. The house is a physical structure or building for shelter, where the environment is useful for physical and spiritual health and social conditions for health-tied individuals (World Health Organ 1992, 2001). People in highly urban areas tend to have more symptoms and a higher risk of mental illness (Groenewegen, 2003). People living in a greener environment appear to be significantly healthier than others (Groenewegen, 2003). The amount of water in people's living environment and the presence of a

garden are positively associated with number of symptoms, only adding the percentages of green and presence of a garden to the models renders the degree of urbanity insignificant (Groenewegen, 2003).

Half the world's population now lives in the cities (Richmond, 2012). Therefore, the housing environment must be natural green environment with soil (Earth), fresh Air, clean Water and light (Fire) to expunge the pollutants generated on daily basis. Consequently these four basic elements give the perfect natural green environment, this natural environment must be present in the surroundings to minimize the risk of physical and mental illness.

### 3.3 Housing Architecture on the natural Environment

The environmental architect or design of housing in the urban area is most important to minimize harmful effects on human health and the beauty of housing with green environment (Barthwal, 2002). The synthetic natural green environmental architect or design attempts to safeguard air, water, brightness and earth by choosing of eco-friendly building materials and construction practices in the cities at present (Barthwal, 2002). The synthetic natural green environmental architects have many of these characteristics such as:

- Ventilation systems designed for efficient heating and cooling
- Energy-efficient lighting and appliances
- Water-saving plumbing fixtures
- Landscapes planned to maximize passive solar energy
- Minimal harm to the natural habitat
- Non-synthetic, non-toxic materials
- Locally-obtained woods and stone
- Efficient use of space

Figure one (1) below shows the cyclic interaction between the four eco-friendly materials in construction practices in the cities at present (Barthwal, 2002).

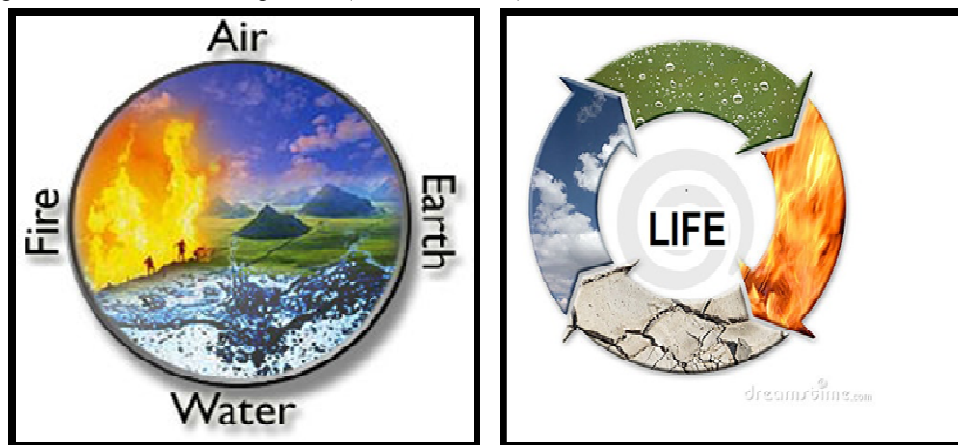


Figure 3.1. Housing Architecture on the Environment. Adopted from (Barthwal, 2002).

#### 3.3.1 The Earth

Earth is an element of environment usually situated at the centre of our existence. It is said soil to be cold and dry in nature, and it appears so to sight and touch, so long as it is not changed by any other elements. It is by means of the earth element that the parts of our bodies are fixed and held in place; thus the outward form of the body is due to the earth element (Barthwal, 2002).

#### 3.3.2 The Water

Water is a simple substance whose position in nature is exterior to the sphere of the earth and interior to that of air. Water is cold and moist in temperament, although only slightly so. Water is easily dispersed and assumes any shape without permanency. In the construction of "things," the addition of water allows the possibility of their being shaped and moulded and spread out. Shapes can readily be made from it, and just as easily dispersed. Moisture dispels dryness, the latter being overruled by the former. Moisture protects dryness from crumbling (as moist earth, or mud), and likewise, dryness prevents moisture from dispersing. Thus the two elements of earth and water are interacting and interdependent. Water is, of course, absolutely essential for life (Barthwal, 2002).

#### 3.3.3 The Air

Air is positioned in nature above both water and earth, but beneath fire. The temperament of air is hot and moist, and its purpose in nature is to make things finer, lighter, and more delicate and thus more able to ascend into higher spheres. Air is also the agent by which breath moves in and out of the body and causes or makes possible the involuntary movements of the body (Barthwal, 2002).

### **3.3.4 The Fire**

Fire is also a simple substance, situated higher than the other three elements of natural environment. Fire is hot and dry in temperament, and its role in nature is to rarefy, refine, and intermingle things. Fire has the power to penetrate and can ride through the element of air. It has the capacity to overcome the coldness of the two cold elements, earth and water, and so creates and maintains harmony among the natural environmental elements (Barthwal, 2002).

## **4. Housing Architecture on the Environment in Commercial view**

The pricing approaches are 'non-demand' curve methods of estimating the value of environmental goods and services (Bateman, 1999). Whereas economic valuation techniques attempt to derive recognised measures of economic value, such as consumer surplus or measures of welfare, pricing approaches provide a proxy of value by considering supply-side aspects (Bateman, 1999). The following briefly summarises the basis of several different approaches.

### **4.1 Opportunity cost**

This approach explicitly considers the value that is foregone in order to protect, enhance or create a particular environmental asset. For example, creation of a new forest implies the loss of land, typically for agricultural purposes. The opportunity cost of this action is then, the value (net of subsidies) of agricultural production foregone from land taken for the forest. Correspondingly, the value of the forest is at least equal to this opportunity cost (Bateman, 1999).

### **4.2 Cost of alternatives**

This is an approach which considers the cost of providing a substitute good which would provide a similar function to an environmental good. For example, wetlands which provide flood protection may be valued on the basis of the cost of building man-made flood defences of equal effectiveness. Given that flood protection is one of many wetland services, the value of the wetland is at least as much as the cost of the man-made protection that would be required in the absence of the wetland (Bateman, 1999).

### **4.3 Mitigation costs/avertive behaviour**

This approach focuses on the price paid by individuals in order to mitigate against environmental impacts, in order to provide a basic monetary assessment of those impacts. For instance the cost of water filtration may be used as a proxy for the value of water pollution damages (Bateman, 1999).

### **4.4 Shadow project costs**

This is an approach which is concerned with the cost of providing an equal environmental good at an alternative location. Typically there are three potential scenarios: (i) asset reconstruction, which is the provision of an alternative site (e.g. a habitat); (ii) asset translocation, which is moving the environmental feature, such as a habitat to a new site; and (iii) asset restoration, which entails enhancing an existing site that is currently degraded. The cost of the preferred option may then be applied as a minimum 'price' of the threatened environmental asset (Bateman, 1999).

### **4.5 Subsidy cost**

This is an indication of the value of environmental goods may be inferred by considering the subsidies paid directly to producers for adopting production methods that are environmentally benign or beneficial. A common example would be subsidies paid to the agricultural sector for environmentally sensitive practices (Bateman, 1999).

## **5. Concept of marketing**

Marketing is a managerial process by which organizations, groups or individuals get what they need by identifying, providing, communicating and delivering value to others (Kotler, 2003). The basic concepts that marketing applies are the needs and desires of consumers, the creation of value, products and services, exchange, communication and networking. Organization and or firms allocates and uses its resources in a continuously changing marketing environment aimed at meeting consumer needs constantly while trying to rise to the expectations of different categories of "stakeholders". The strategic approach involves using a strategy which allows the organization to compete, to identify new market opportunities, develop and trade new products and services, to guide allocation of resources among the main activities of the market and also to guide the development of an organizational structure that helps to achieve predetermined performance levels (Kotler, 2003). Refer to figure 2 below.

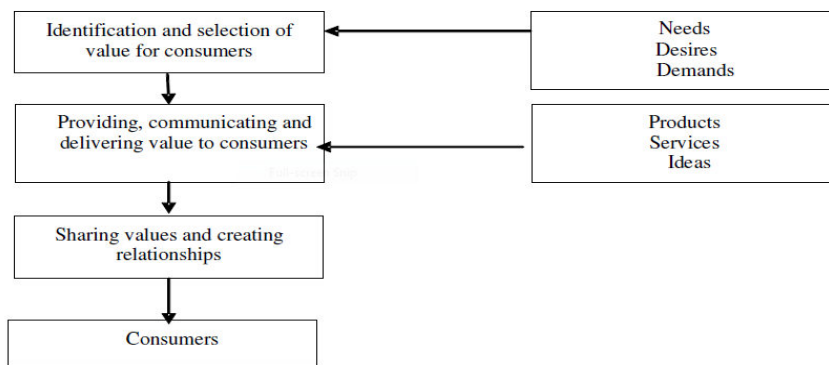


Figure 2. Basic concepts of marketing. Adopted from Doyle, (2000).

Generally, marketing is a set of communication between organization and the targeted customers to achieve the organizational goals and the customer satisfaction (Doyle, 2000). Marketing is the process of communicating the value of a product or service to customers, for the purpose of selling the product or service. It is a critical business function for attracting customers (Doyle, 2000). From a societal point of view, marketing is the link between a society's material requirements and its economic patterns of response.

Marketing satisfies these needs and wants through exchange processes and building long term relationships. Marketing can be looked at as an organizational function and a set of processes for creating, delivering and communicating value to customers, and managing customer relationships in ways that also benefit the organisation and its shareholders. Marketing is the science of choosing target markets through market analysis and market segmentation, as well as understanding consumer buying behaviour and providing superior customer value (Doyle, 2000). The set of engagements necessary for successful marketing management includes, capturing marketing insights, connecting with customers, building strong brands, shaping the market offerings, delivering and communicating value, creating long-term growth, and developing marketing strategies and plans, refer to figure 3 below.



Figure 3. Marketing and sales function

Source: Business school of Cambridge University (2012).

Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (Wilkie and Moore, 2004). Actually it is product information that essential to convey the targeted customers to buy and achieve the organizational goals (Kotler, 2003). Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others (Wilkie and Moore, 2004).

## 6. Concept of Strategic Marketing

Strategic marketing as seen as a process consisting of analysing environmental, market competitive and business factors affecting the corporation and its business units, identifying market opportunities and threats and forecasting future trends in business areas of interest for the enterprise, and participating in setting objectives and formulating corporate and business unit strategies (Richmond, 2012). Selecting market target strategies for the product-markets in each business unit, establishing marketing objectives as well as developing, implementing

and managing the marketing program positioning strategies in order to meet market target needs (Richmond, 2012).

The strategic marketing is a successful art to win the goal of a follower organization with specifying the target market to catch the target customers by specific information and providing the perfect need for client (Richmond, 2012). The primary purpose of a marketing strategy is to effectively allocate and coordinate marketing resources and activities to accomplish the firm's objectives within a specific product market (Richmond, 2012).

## 7. Strategic Marketing for Housing and the Environmental issues

In Kuala Lumpur, prices for the houses were around RM900 per sq. ft., now it is approaching RM1600 per sq. ft. in areas of Damansara, KLCC, Bangsar and Mont Kiara. These areas are highlighted as a luxury residency area and the average sold price of per unites RM3million, currently it reached up to RM4.5million because of the natural healthy environment and highly attractive beauty of the surrounding by synthetic natural green park and swimming pools (Richmond, 2012). Property is an object of legal right, which embraces possessions or wealth collectively, frequently with strong connotations of individual or group ownership. The owner can transfer the property to any one or any group of people based on the local law (Reed, 2005).

### 7.1 The SWOT Analysis

The word 'Swot' connotes Strengths, Weaknesses, Opportunities and Threats. It is a way of summarizing the current state of a company and helping to devise a plan for the future, one that employs the existing strengths, redresses existing weaknesses, exploits opportunities and defends against threats (Glass, 1991). SWOT usually reflects an organization existing viewpoint. It is important to note that sometimes threats can also be viewed as opportunities, depending on the people involved in the surrounding (Glass, 1991). It allow companies to take a large course and look for 'fit' rather than to 'stretch', look for strengths that match opportunities and yet ignore the opportunities they do not feel can be used to their advantage.

## 8. Conclusion

Environment has positive impact especially on residential properties; people living in a greener environment appear to be significantly healthier than others living in the opposite environment (Groenewegen, 2003). People in highly urban areas where the natural scene is ruined tend to have more symptoms and a higher risk of mental illness (Groenewegen, 2003). The amount of water in people's living environment and the presence of a garden are positively associated with number of these symptoms, only adding the percentages of green and presence of a garden to the models renders the degree of urbanity significant for the habitation of the living things (Groenewegen, 2003).

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