

Research on the Influences of Agent Characteristics and Brand Image on Consumers' Intention to Re-Authorize Housing Brokerage Company

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ABSTRACT

This paper explored the influences of agent characteristics, brand image and consumer attitude on re-authorization intention mainly by linear structural equation model (SEM) and treated the potential consumers in Kaohsiung City of Taiwan as the targets. The research result showed that there were significant influences of agent characteristics on re-authorization intention and these influences were established by intervening mechanism. Agent characteristics influenced consumer attitude by the intervening effect of brand image and further affected the consumers' re-authorization intention. Brand image could only indirectly influence re-authorization intention by consumer attitude.

Keywords: Agent Characteristics, Brand Image, Re-Authorization Intention

INTRODUCTION

The real estate market in Taiwan has experienced three times of more significant business cycles. The air of considerable investment and the practice of volume control in 1995 led to the rapid construction of the construction companies that influenced the supply and demand mechanism of the market and bubble economy. Therefore, after reaching the high peak in 1994, prosperity of the real estate started to fall and entered another cycle. Under the pressure of business growth and in the severely competitive environment, how real estate brokerage industry increased the customers' re-authorization intention was indeed urgent and necessary.

The firms of real estate brokerage were in service industry. The brand image tended to be one of the factors for the consumers when considering the agent firms for authorization. However, real estate brokerage industry was the "human-based" industry. Thus, the agents' service enthusiasm, aggressiveness and activeness tended to be the critical factors for the consumers to decide the agent firms. Swan and Nolan (1985) suggested that the characteristics of the salespersons or agents, personal experience, the first impression and corporate impression were the factors influencing the customers' trust attitude. Pilling and Eroglu (1994) treated 484 customers of the retailers in America as the samples and explored the influence of the salespersons' "sympathy" and "professionalism" on product sales. The research found that the characteristics of the salespersons would influence the customers' attitude and purchase intention. Johnson, Nourse, and Day (2001) explored the importance of characteristics of real estate brokerage industry and agent characteristics when increasing market share. The result showed that when the consumers authorized the real estate brokerage industry to sell the houses, they tended to value individual agents' characteristics. In fact, the characteristics of real estate brokerage industry assessed or involved in the paper of Johnson, Nourse, and Day (2001) were extremely similar to the term "brand image". According to the statements of the above scholars, we found the importance of agent characteristics and brand image in the transaction process.

This paper would explore the influences of agent characteristics and brand image on consumer attitude and re-authorization intention. Besides the introduction in the first section, the second section was literature review and the proposal of hypotheses; the third section was research design, including research framework, operability of research variables, questionnaire design and sample acquisition; the fourth section was the description of sample statistic; the fifth section was empirical result analysis and the final section referred to the conclusion and suggestion of this paper.

LITERATURE REVIEW AND RESEARCH HYPOTHESES

The literature review of this section was divided into three parts. The research first explored the relationship among agent characteristics and brand image; secondly, it explored the influences of agent characteristics and brand image on consumer attitude; thirdly, it elaborated the influence of consumer attitude on re-authorization intention.

Baldauf and Cravens (1999) treated 159 sales managers in 79 firms in Austria as the research targets to explore organizational sales control, sales design, characteristics of salespersons and the influence of sales performance on organizational sales efficacy. It found that internal and cognitive motivations were the critical characteristics of the personnel with high sales performance. The studies of the above scholar revealed that the characteristics of salespersons indeed had important influence on sales behavior or performance. Johnson, Nourse, and Day (2001) studied the importance either in the characteristics of real estate brokerage industry or in agent characteristics. The characteristics of the brokerage assessed or indicated by the said paper was extremely similar to the term "brand image". Their research result revealed that when the consumers authorized the real estate brokerage industry to sell the houses, they tended to value the individual agents' characteristics. The research result might imply that the agents' characteristics could be the condition of brand image. The research result of Tsai (2005) also showed that for the clients who actually bought and sold the houses, in terms of the critical key of the transaction, the agents' aggressiveness and activeness were more significant than the brand identification. There were many private shops which were not chain stores in Taiwan. The consumers frequently contacted with their agents and they directly perceived the agents' professional capability and marketing capability which influenced their views toward the whole brokerage or corporate image. Thus, we tried to propose the hypothesis:

H1: Agent characteristics revealed significantly positive influence on brand image.

With respect to the characteristics of salespersons, Swan, Trawick, Rink, and Roberts (1988) explored how to construct buyer trust attitude and assessment trust and studied the salespersons' characteristics and trust from the perspective of the buyers. Five constructs of salespersons' characteristics (integrity, honesty, professional capacities, responsible attitude and friendliness) revealed positive correlation with the buyers' overall trust attitude. Bejou, Wray, and Ingram (1996) treated American professional finance service industry as an example, applied neural network to analyze relationship quality, regarded satisfaction, trust, marketing orientation, customer orientation, morality, specialty and duration as the research variables. They found that there was positive correlation between experience, marketing behavior, the characteristics (specialty) and trust and satisfaction. According to the literatures, the characteristics of salespersons would influence the consumers' trust attitude and satisfaction. Therefore, we inferred that agent characteristics had significant influence on the consumer attitude. Thus, the researcher proposed the hypothesis:

H2: Agent characteristics revealed significantly positive influence on consumer attitude.

Thirdly, with respect to the influence of brand image on consumer attitude, Park, Jaworski, and MacInnis (1986) argued that brand image was a kind of perception phenomenon generated through corporate communication activities. Hoeffler and Keller (2003) suggested that establishing a prestige brand was the aim of corporate marketing. They accessed to the benefits of brand at each stage by the model of AIDA (attention, interest, desire and action). Besides, prestige brand led to the benefits such as purchase intention, customer loyalty for the related marketing activities such as advertising, public welfare behavior and individual sales. In other words, there was positive correlation between brand image and customer attitude and behavior. Thus, the researcher proposed the hypothesis:

H3: Brand image revealed significantly positive influence on consumer attitude.

Many consumer decision-making models suggested that attitude was the factor influencing behavior intention, such as the studies of Engel, Kollatl, and Blackwell (1982) and Howard (1988). Thus, the researcher proposed

H4: Consumer attitude revealed significant and positive influence on authorization intention.

RESEARCH DESIGN

Establishing a linear structure model

According to the previous assumption, the γ_{11} was expected to be positive, when the agent characteristics were better, it was expected that it was more likely to upgrade brand image; The γ_{21} was expected to be positive, when the agent characteristics were better, it was expected that they would positively influence consumer attitude; The β_{21} was expected to be positive; when the brand image was better, it was expected that they would be more likely to have significant and positive influence on consumer attitude; The β_{32} was expected to be positive, when the consumer attitude was better, it was expected that it had significant and positive influence on re-authorization intention (see Figure 1).

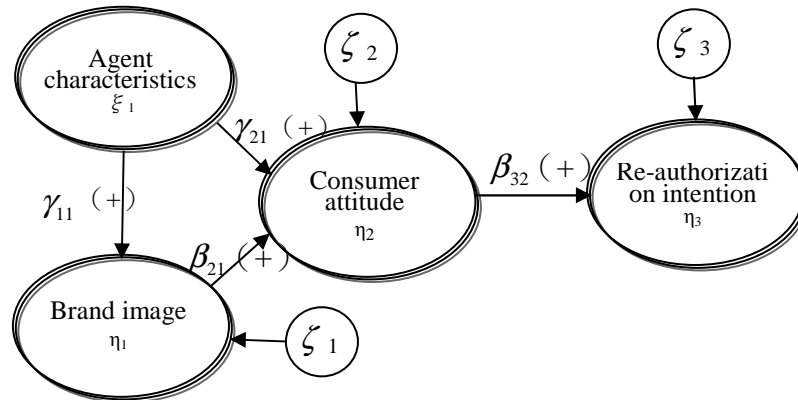


Figure 1 The Study's Linear Structural Model

Where :

ξ_1 : are exogenous latent variables, representing agent characteristics. η_1 , η_2 , η_3 : are endogenous latent variables, respectively representing brand image, consumer attitude, and re-authorization intention. γ : is the relationship of exogenous latent variables to endogenous latent variables. β : is the relationship of endogenous latent variables with endogenous latent variables. ζ : is structure error.

The Definition of Research Variables and Their Operability

1. Agent characteristics

This research followed the study of Johnson, Nourse, and Day (2001) and defined agent characteristics as the agents' professional capability and marketing capability when practicing the business, including marketing capability, competence, diligence, integrity, professional knowledge, understanding the caring about the clients. The researcher further included 3 questions (professional license, reliable image and neat outfit) proposed by Pilling and Eroglu (1994) and there were 10 questions in total.

2. Brand image

Kolter (1996) suggested that brand image was a kind of brand idea of the consumers with respect to each brand according to different attributes. The brand idea would become brand image and influenced the consumers' decision-making will. According to the study of Johnson, Nourse, and Day (2001), this research defined brand image as the aspects related to corporate characteristics and image, including the set services, advertising content and reputation of the firms. Park, Jaworski, and MacInnis (1986) defined brand image as "functional and symbolic and experiential image", this article will use the three factors to measure brand image.

3. Consumer attitude

According to the studies of MacKenzie, Lutz, and Belch (1986) and Sheth, Mittal, and Newman (1999), this paper assessed the consumer attitude respectively from cognitive and emotional aspects. This research mainly assessed

consumer attitude by cognitive and emotional aspects since the consumers' cognition and emotion toward the brand would directly or indirectly influence the purchase behavior. There were 8 questions related to the latent variables in this section, including brand trust, guarantee, housing quality, overall impression, preference authorization, friends' evaluation, reliability and personal demands.

4. Re-authorization intention

According to the study of Dodd, Monroe, and Grewal (1991), Morwitz and Schmittlein (1992), Schiffman and Kanuk (1999), this research defined re-authorization intention as the consumers' psychological state planning the real estate transaction in certain period of time which referred to the probability, intention and possibility for the consumers to re-authorize real estate brokerage company when buying or selling the real estate.

Questionnaire Design

The questionnaire in this paper was allocated into two sections. The first section was the respondents' basic information; the second section was the questions related to agent characteristics, brand image, consumer attitude and re-authorization intention. The questionnaire design was based on Likert 7-point scale. According to the agreement levels, there were: totally disagree, disagree, slightly disagree, no comment, slightly agree, agree and totally agree (from 1 to 7 points).

Sampling Design

This research mainly treated the potential consumers in Kaohsiung City as the research targets. There were 11 administrative divisions in Kaohsiung City and the researcher selected one elementary school in one administrative division and distributed 60 questionnaires for each school and invited the parents of the students to fill in the answers. These respondents had been commissioned by the real estate company sale housing. The survey was made between February and March of 2006. There were totally 660 questionnaires distributed and there were 305 actual valid responses. The valid response rate was 46.21%.

DESCRIPTION OF SAMPLE STATISTIC

In order to access to the structure of the participant samples, the researcher managed descriptive statistical analysis on the basic information of the response samples. As to the sex, males were 35.7% whereas females were 64.3%. With regard to age, most of them were between 36 to 40 years old (about 29.71%) and the second was between 41 to 45 years old (about 27.5%). As to marital status, most of them were married (about 86.6%) and the second was unmarried (11.5%). With regard to educational level, most of them were below high schools and vocational schools (about 34.8%) and the second was university degree (about 29.5%) and college degree was about 25.6%. As to monthly income, NT\$20,001~30,000 was the most (19.7%), the second was NT\$40,001~50,000 (about 19%), NT\$30,001~40,000 (about 18%), NT\$50,001~60,000 was about 8.9%, NT\$60,001~70,000 was about 5.6% and more than NT\$70,000 was about 6.2%.

ANALYSIS OF EMPIRICAL RESULTS

Factor Analysis

The researcher managed factor analysis on four latent variables: agent characteristics, brand image, consumer attitude and re-authorization intention. The test results upon Bartlett's sphericity test and KMO (Kaiser-Meyer-Olkin measure of sampling) both showed that the latent variables were suitable for factor analysis. The researcher extracted the principal factors by Principal Component Analysis. The extraction criterion was eigenvalue more than 1 which was rotated by varimax rotation. Finally, the researcher named the factors according to the variable content. As to agent characteristics, there were 2 factors extracted and named "professional capability" and "marketing capability". The accumulated explanatory variance of the factor was 78.71%. As to brand image, 2 factors were extracted which were named "functional image" and "symbolic image". The accumulated explanatory variance of these two factors was

73.66%. As to consumer attitude, there were 2 factors extracted and named “preference factor” and “trust factor”. The accumulated explanatory variance of these two factors was 81.31%. As to re-authorization intention, one factor was extracted. The accumulated explanatory variance of the factor was 94.04%.

Reliability Test and Validity Test

Nunnally (1978) suggested the criterion of Cronbach’s α more than 0.70. The overall reliability of the scales in this research was more than 0.70 which was high reliability. Therefore, the overall questionnaire had consistency and stability. As to the agent characteristic scale, Cronbach’s α of professional capability and marketing capability respectively referred to 0.952 and 0.864. Cronbach’s α of the whole scale was 0.944; as to brand image, Cronbach’s α of service orientation, scale orientation and system orientation respectively referred to 0.975, 0.895 and 0.927. Cronbach’s α of overall scale was 0.973; as to consumer attitude, Cronbach’s α of preference factor and trust factor respectively referred to 0.933 and 0.861; Cronbach’s α of overall scale was 0.935; as to authorization intention scale, Cronbach’s α factor was 0.968(see Table 1).

Table 1 Reliability Test and Validity Test

Constructs	Cronbach’s α
Agent characteristics	0.944
Professional capability	0.952
Marketing capability	0.864
Brand image	0.973
functional image	0.977
symbolic image	0.903
Consumer attitude	0.935
Preference factor	0.933
Trust factor	0.861
Re-authorization intention	0.968

This research treated factor loading as the measurement criterion of construct validity. According to Table 4, we could find that the factor loadings of the questions in the scales all reached significant level. Thus, there was construct validity. However, in order to pursue preciseness and completeness, the researcher further examined the convergent validity and discriminant validity of each construct by confirmatory factor analysis (CFA).

1. Convergent validity

According to Anderson and Gerbing (1988), convergent validity could find out if the observation items properly measured the latent variables through measurement model of structural model analysis. The convergent validity of a scale was based on standardized measurement path factor (loading). When all of the loadings were more than 0.7, it meant the scale had convergent validity. For example, in Table 4, the factor loadings of all measurement variables all passed 0.7 which meant this scale had convergent validity.

2. Discriminant validity

This research managed discriminant validity analysis according to the suggestion of Anderson and Gerbing (1988). The method was to assume the correlation factor of pair constructs as 1 and further managed Chi-square difference test on the restricted and unrestricted measurement model. The differences among the constructs in this research all reached significant level. Thus, there was discriminant validity among the constructs.

Test Analysis of Research Hypotheses

Evaluation of model fit is conducted prior to verifying the rationality of research hypotheses.

1. Evaluation of model fit

(1). Preliminary fit criteria

This study showed that the factor loadings of the assessment indexes of four latent constructs all reached significant level and the factor loadings were more than 0.7. The assessment of error variances was not negative. Generally speaking, preliminary fit criteria were in the acceptable scale.

(2). Overall model fit

This study showed that the Chi-square value was 55.4 and p value was 0.001 which did reach significant level. We then observed the indexes. Chi-square value ratio (χ^2 / df) was 2.308 which met the ideal criterion level; GFI was 0.962, AGFI was 0.930, IFI was 0.992, CFI was 0.992, and NFI was 0.986 which all reached the ideal standard more than 0.9. RMR was 0.091, and RMSEA was 0.066 which met the criterion level. It demonstrated that the overall fit of model of the theoretical model in this research was considerably acceptable.

(3). Fit of the internal structure of the model

According to the suggestion of Fornell and Larcker (1981), CR (construct reliability) should be at least 0.6. CR values of this research were in the acceptable scale. According to the suggestion of Fornell and Larcker (1981), AVE should be at least 0.5. This AVE values were all more than the acceptable level of 0.5. It demonstrated that the internal consistency of the scale was acceptable. In addition, R^2 of three structural equations in this paper were 83.3% (brand image), 74.6%, 38.3% (consumer attitude) and 49.7% (re-authorization intention).

2. Verification of hypothesis relationship

According to the empirical result in Table 2, agent characteristics had significant and positive influence on brand image; the coefficient value was 0.912 which reached 1% significant level. H1 was thus confirmed. Marketing capability and professional capability of the agents would indeed influence the construction of corporate brand image. The research result implied that the agents' characteristics were the condition of brand image. It also demonstrated the research finding of Johnson, Nourse, and Day(2001) and Tsai (2005) which indicated that when the consumers directly perceived the agents' characteristics such as professional capability, marketing capability, integrity and care for the clients, their views toward overall real estate industry or brand image would be influenced. Agent characteristics revealed significantly negative influence on the consumer attitude and the coefficient value was -0.141 which did not meet the theoretical expectation. Thus, H2 was not confirmed.

Brand image had significantly positive influence on consumer attitude and the coefficient value was 0.745 which reached 1% significant level and complied with the theoretical expectation. H3 was thus confirmed. Consumer attitude had significant and positive influence on re-authorization intention and the coefficient value was 0.705 which reached 1% significant level and met the theoretical expectation. H4 was thus confirmed. It also demonstrated the research result suggested by Petty et al. (1983), Howard (1988) "the better the brand attitude was, the higher the purchase intention was".

Table 2 Analysis of Theoretical Assumption Model

Path	Estimated Coe. (Non-standardized)	Estimated Coe. (Standardized)	Standard error	Wald value
Agent characteristics →rand image)	0.837	0.912	0.028	29.767***
Agent characteristics →consumer attitude	-0.151	-0.141	0.138	-1.090
Brand image →consumer attitude	0.870	0.745	0.153	5.670***
Consumer attitude →re-authorization intention	0.945	0.705	0.063	15.075***

Note: *** means $p < 0.01$, **means $p < 0.05$.

The indirect, direct and overall effects of the latent variables in this paper all reached significant level. Apparently, brand image and consumer attitude played the intervening roles (see Table 3).

Agent characteristics did not directly influence re-authorization intention and they did not indirectly influence re-authorization intention through consumer attitude. Although agent characteristics did not affect re-authorization intention directly, it could influence consumer attitude through brand image and further reveal significant and positive influence on re-authorization intention. Brand image could also indirectly influence re-authorization intention through consumer attitude.

Table 3 Direct Effects, Indirect Effects and Overall Effects of Each Construct

Paths	Direct effects	Indirect effects	Overall effect
Agent characteristics → brand image	0.912		0.912
Agent characteristics → consumer attitude	-0.141		-0.141
Brand image → consumer attitude	0.745		0.745
Consumer attitude → re-authorization intention	0.705		0.705
Agent characteristics → brand image → consumer attitude		0.679	0.538
Agent characteristics → brand image → consumer attitude → re-authorization intention		0.479	2.841
Brand image → consumer attitude → re-authorization intention		0.525	1.975

Note: the figures in the table are calculated by standardized factors.

CONCLUSION

This research conducted the investigation analysis on the potential real estate buyers in Kaohsiung City of Taiwan to access to the influence of agent characteristics and brand image on the consumers' re-authorization intention to real estate brokerage and the development of intervening mechanism. This paper attempted to involve agent characteristics in the theoretical model to highlight the importance of agent characteristics for the consumers' re-authorization to housing brokerage company. The research result in the paper showed the importance of and agent characteristics in the transaction process. Through the intervening effect of brand image and consumer attitude, in particular, it was expected that agent characteristics would influence the consumers' re-authorization intention.

The research showed that agent characteristics revealed significant influence on re-authorization intention and these influences were established through intervening mechanism. Apparently, brand image and consumer attitude indeed played the intervening roles. Agent characteristics did not directly influence re-authorization intention and did not indirectly affect re-authorization intention through consumer attitude; instead, it affected consumer attitude through the intervening effect of brand image and further influenced the consumers' re-authorization intention. When the agents' marketing capability and professional capability were better, the re-authorization intention would not necessarily enhance. Only when it interacted with brand image, re-authorization intention could be strengthened.

Brand image also could only indirectly influence re-authorization intention through consumer attitude. The result demonstrated the view of Park, Jaworski, and MacInnis (1986) which indicated that brand image was a kind of perception phenomenon affected by corporate communication activities. The consumers could access to the brand through the related activities and strengthen their drive to purchase.

Although the empirical result of this research showed the significant relationships among agent characteristics, brand image, consumer attitude and authorization intention, there were still some points for further elaboration and other factors which might affect these ideas. Therefore, the future researchers can have in-depth exploration, such as the influences of relative relationships and values on re-authorization intention. In addition, this research treated housing brokerage industry as the research targets. Due to different industry characteristics, the research results might not be able to be inferred to other industries.

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