THE INFLUENCES OF RELATIONSHIP MARKETING IN THE HOUSING BROKERAGE MARKET

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Abstract:

Many companies and salesmen try to build and maintain long-term relationship with their customer. The influences of relationship marketing activities are important issue of the housing brokerage Market. The aims of study are to learn the impacts of relationship marketing on customer satisfaction and customer loyalty in the housing brokerage Market. The researchers survey the customers and use the regression analysis method to test the relationships between relationship marketing, customer satisfaction and customer loyalty in Taiwan. The research results show that the relationship marketing positively impacts on customer satisfaction and customer loyalty, then customer satisfaction positively impacts on customer loyalty. Customer satisfaction plays a mediating role between relationship marketing and customer loyalty. Besides, the study confirm that brokers' expertise moderates the relationship of relationship marketing process. The findings suggest that the brokers' relationship marketing and expertise empirically impact on the customers.

Keywords: *Housing brokerage market, Relationship marketing, Customer satisfaction, Customer loyalty*

1. Introduction:

Relationship marketing is the bond of the customer and the company (Berry, 1995), and create and maintain good relationship between the buyer and the supplier (Gummesson, 1998). Relationship marketing activities of a company including financial, social and structural bond (Berry and Parasuraman. 1991). Relationship investment strategies would increase customers' relationship quality and behavioral loyalty toward the firm (De Wulf, Odekerken-Schroder and Iacobucci, 2001).

In the housing brokerage market or real estate agent industry, communication and results are the most important factors (Dabholkar and Overby, 2006), process factors are linked with service quality, and outcome factors are linked with customer satisfaction. (Dabholkar and Overby, 2005). Tuzovic (2009) confirm that the demand of specific service attributes between renters and buyers are different in the real estate industry and real-estate firms should pay attention to the training of agents.

Many managers and sales realize the importance of the relationship marketing, however, how to create and maintain customer relationship is difficult in the housing brokerage market. The price of the real estate or housing are high. Many consumers have few experience to buy or to rent the real estate or housing. The housing brokers are difficult to maintain long term relationship with the customers. Few prior literatures study the influences of relationship marketing and brokers' expertise on customers' satisfaction and loyalty. Therefore, the purposes of the research are to study the relationships among relationship marketing, customer satisfaction and customer loyalty in the housing brokerage market, and to explore the moderating roles of housing brokers' expertise in the linkages between relationship marketing, customer satisfaction and customer loyalty.

2. Literature Review

Relationship marketing activities included three bonds: (1) financial bond: encouraging consumer to buy by price inducement; (2) social bond: establishing social relationship with customers; (3) structural bond: providing the customers with values, scarce or expensive to obtain (Berry and Parasuraman, 1991). In the real estate industry, Dabholkar and Overby (2005) proposed that process factors are linked with service quality and outcome factors are linked with customer satisfaction. Dabholkar and Overby (2006) suggest that seven factors are important in real estate agent service: communication, effort, advertising, guidance, professionalism, representation, and results, with communication and results being the most important. Tuzovic (2009) found the service attributes differences between renters and buyers in real estate industry, such as description of properties, knowledge/experience and honesty of brokers, and relationship with the brokers. The researches show that housing brokerage firms should know the importance of relationship marketing activities, brokers' knowledge, experience, and expertise.

2.1. Relationship Marketing, Satisfaction and Loyalty
The relationship marketing activities of companies influence on customers. Chiu et al., (2005) confirm that the financial, social, and structural bonds improve customer values and customer loyalty for stayers; only the structural bond impacts on customer's utilitarian value and customer loyalty for dissatisfied switchers; the social bond affects customer's hedonic value, and the structural bond affects the customer's utilitarian value for satisfied switchers. Chen and Chiu (2009) find that: first, the financial and structural bonds impact on online shoppers' satisfaction; however, the social bond does not; second, the financial, social, and structural bonds have more positive impacts on female customers' satisfaction; third, the financial bond is more successful for short-term customers, however, the structural bond is more important for long-term customers. Dagger and O'Brien (2010) indicate that the impacts of relationship benefits on customers' satisfaction, trust, commitment, and customer loyalty are different between novice and experienced customers. Mimouni-Chaabane and Volle (2010) point out that the five benefits, including of monetary savings, exploration, entertainment, recognition, and social benefits, have different impacts on customer satisfaction, loyalty, and perceived relationship investment of the firm. The results show that the dimensions of relationship marketing have different influences on customers.

Garbarino and Johnson (1999) demonstrate that overall satisfaction is the primary mediator between the component attitudes and future intentions for the low relational customers, and trust and commitment are the key mediators between component attitudes and future intentions for the high relational customers. Balaji (2015) suggest that relationship investments, satisfaction, and commitment play a critical role on customer loyalty, however, the effect of relationship satisfaction on loyalty decreases as the length of the relationship increases. Though many relationship marketing theories emphasize the importance of trust and commitment, Palmatier et al. (2009) argue that customer gratitude plays a mediating role between relationship marketing investments on purchase intentions, sales growth, and share of wallet. Lee, Kim and Pan (2014) indicate that relationship marketing investments affect both customers' gratitude and satisfaction, and relationship marketing investments were also more associated with gratitude than satisfaction. Relationship investment affects relationship quality and behavioral loyalty (De Wulf et al., 2001). Liang and Wang (2006) confirm a positive relationship between service quality, satisfaction and relationship investment and suggest that financial products need different service and relationship investment. Han et al. (2011) argue that both core service and service encounter performances affected customer satisfaction, and customer satisfaction mediated the effects of service performances on switching intention completely. The results show the chain relationship of relationship marketing, customer satisfaction and customer loyalty. Therefore, the study propose the hypotheses in the housing brokerage market:

H1: Relationship marketing positively impacts on customer satisfaction.
H2: Relationship marketing positively impacts on customer loyalty.
H3: Customer satisfaction positively impacts on customer loyalty.
H4: Customer satisfaction mediates the relationship between relationship marketing and customer loyalty

2.2. The moderating roles of housing brokers' expertise
Customer relationship management is an important challenge for managers. In airline industry, interpersonal relationships, domain expertise, customer orientation, and service recovery performance are the major factors of relationship quality (Cheng, Chen and Chang, 2008). Expertise is service provider's knowledge and experience (Johnson and Grayson, 2005). Johnson and Grayson (2005) confirm that service provider's expertise, product performance and satisfaction with previous interactions are associated with cognitive trust, then impacts on affective trust, sales effectiveness and future interactions.

Service provider expertise and customer sociability are important to relationship success in the healthcare settings (Spake and Megehee, 2010). Andreassen and Lindestad (1998) confirm that corporate image impacts customer loyalty directly whereas customer satisfaction does not and the finding was consistent with high and low service expertise. The results show that the service providers' expertise would not influence on the customers. However, Ou et al. (2012) suggest that salesperson expertise, ethical sales behavior, service performance, corporate reputation, and corporate performance impact on relationship quality, and relationship quality has positive effects on commitment and loyalty. The results show that salesperson expertise would influence on the customers' perceptions.
Paulssen et al. (2014) argue that social bonding is the only one effective relationship marketing strategy in the high risk situations, when perceived low risk, customers' brand satisfaction determines brand loyalty, whereas when perceived high risk, customers' brand trust determines brand loyalty. The results show that relationship process between service providers and customers moderate by customers' risk perceptions. Echchakoui (2015) confirms that perceived risk partially mediate the relationship between salesperson expertise and customer loyalty. The study propose that salesperson expertise would moderate the relationship process between customers and the housing brokers. The researchers propose that housing brokers' expertise moderate the relationship of relationship marketing, customer satisfaction and customer loyalty. Based on the above researches, the study propose the hypotheses in the housing brokerage market:

H5: The effect of relationship marketing on customer satisfaction increases with expertise.
H6: The effect of relationship marketing on customer loyalty increases with expertise.
H7: The effect of customer satisfaction on customer loyalty increases with expertise.

3. Research Method

3.1. Procedures and samples
The researchers use convenient sampling method to survey the housing brokers' customers in Taiwan. The study collect samples through questionnaires. In the survey, respondents were asked to choose specific one housing broker who had served them within one year and select their perceptions about the housing broker.
The authors distributed 250 questionnaires and collected 210 useful samples, and response rate was 84%. The samples were composed of 110 (52.4%) males and 100 (47.6%) females. There were 33 (15.7 %) respondents who were less than 30 years of age; 80 (38.1 %) who were between 31 and 45; 81 (38.6%) who were between 46 and 60 years; 16 (7.6 %) who were over the age of 61. The respondents' education level were: 45 (21.4 %) were high school or under; 52 (24.8 %) were college; 81 (38.6%) were university; 16 (7.6 %) were graduate level. There were 39 (18.6 %) respondents who work in public services or school; 48 (22.9 %) in manufacturing industries; 68 (32.4 %) in service industries; 26 (212.4 %) were housewife and 29(13.8%) were others. There respondents were 73 (52.4%) single and 137(65.2%) married.

3.2 Measures
According to the previous researches, the authors developed 8 items to measure participants' relational marketing perceptions to the housing brokers (Chiu et al., 2005), 3 items to measure customer satisfaction (De Wulf et al., 2001), 5 items to measure customer loyalty (Kim et al., 2009; Palmatier et al., 2009), including of word-of-mouth and purchasing intentions. We developed 3 items to measure participants' perceived the housing brokers' expertise (Johnson and Grayson, 2005). For all items, the researchers use a 5-point Likert scale (1=strongly disagree; 5=strongly agree).

4. Research Results

4.1. Reliability and Validity

Table 1. presents the mean, stander deviation, and correlation matrixes of the study. The researchers use Cronbach's α coefficients to evaluate the measurement reliabilities of the study. The Cronbach's α of the relationship marketing, customer satisfaction, customer loyalty and housing brokers' expertise are .902, .809, .888, and .805. The Cronbach's αcoefficients of measurements are all higher than 0.7 and show that the internal consistency of the scales are good (Nunnally, 1978). Besides, the composite reliabilities of all variables are all higher than 0.7 and the correlation between any two variables are lower than Cronbach's α of the variables (Table 1), the results indicate that the discriminant and convergent validities of the scales are good (Fornell and Larcker, 1981; Gaski and Nevin 1985).

Table 1. Mean, stander deviation, and correlation matrixes

	Relationship Marketing	Satisfaction	Loyalty	Expertise
Relationship Marketing	(.902)			
Satisfaction	.692***	(.809)		
Loyalty	.775***	.737***	(.888)	
Expertise	.791***	.747***	.791***	(.805)
Mean	3.732	3.757	3.736	3.730
S.D	.636	.679	.704	.703

***$p < .001$, numbers in parentheses are Cronbach's α.

4.2. Hypotheses Testing

The researchers use regression analysis method to test the hypothesis. The empirical results are showed in Table 2. In the model 1 and model 2, the results show that relationship marketing significantly impacts on customer satisfaction ($\beta=.692$, $t=13.816$, $p<.001$***) and customer loyalty ($\beta=.775$, $t=17.696$, $p<.001$***). In the model 3, the results show that customer satisfaction significantly impacts on customer loyalty ($\beta=.737$, $t=15.743$, $p<.001$***) in the housing brokerage market. The empirical results show that the hypothesis 1(H1), hypothesis 2(H2) and hypothesis 3(H3) of the study are all supported. The results indicate that the housing brokers' relationship marketing would increase their customers' satisfaction and loyalty, and improving customer satisfaction would increase customer loyalty. The housing brokers should maintain relationship with their customers, such as financial, social and structural bonding tactics, to increase customers' satisfaction and loyalty.

In the model 4, the researchers test the mediating role of customer satisfaction between relationship marketing and customer loyalty. Following the suggestions of Baron and Kenny(1986), the mediating role exists when the main effect of relationship marketing on customer loyalty become insignificant or reduced when another variable, customer satisfaction, is added to the regression analysis. Including of two independent variables to the model 4, relationship marketing and customer satisfaction, the impacts of relationship marketing and customer satisfaction on customer loyalty are still significant but the β coefficient of relationship marketing is reduced from .692($t=13.816$, $p<.001$***) in the model 1 to .508($t=9.314$, $p<.001$***) in the model 4. The regression results of model 1, 3 and 4 show that customer satisfaction partially mediates the relationship between relationship marketing and customer loyalty in the housing brokerage market. Therefore, the fourth hypothesis of the study (H4) is partly supported.

Table 2. Regression Analysis

Dependent Variables	Satisfaction	Loyalty		
	Model 1	Model 2	Model 3	Model 4
Independent Variables				
Relationship marketing	.692***	.775***		.508***
	(13.816)	(17.696)		(9.314)
Satisfaction			.737***	.386***
			(15.743)	(7.067)
Adj R²	.476	.599	.541	.675
Results	Supported	Supported	Supported	Partially supported

*** $p < .001$, numbers in parentheses are *t value.*

To test the moderating roles of housing brokers expertise, the study follow the suggestions of Baron and Kenny(1986). In the model 5 and 6 of Table 3, the regression analysis results show positive and significant interaction effect of housing brokers expertise and relationship marketing on customer satisfaction (β=.834, t=6.246, $p< .001$***) and customer loyalty (β=.790, t=6.875, $p<.001$***). The results support the hypotheses H5 and H6 of the study. The results indicate that the effect of relationship marketing on customer satisfaction and customer loyalty is greater when customer perceived the higher level of housing brokers' expertise. Besides, the results of the model 7 show positive and significant interaction effect of housing brokers expertise and customer satisfaction on customer loyalty (β=.936, t=9.099, $p<.001$***). The results support the hypotheses H7 of the study. The results indicate that the effect of customer satisfaction on customer loyalty is greater when customer perceived the higher level of housing brokers' expertise.

Table 3. Moderating Analysis of Housing Brokers' Expertise

Dependent Variables	Satisfaction	Loyalty	
	Model 5	Model 6	Model 7
Independent Variables			
Relationship Marketing	-.092	.033	
	(-.685)	(.289)	
Relationship Marketing × Expertise	.834***	.790***	
	(6.246)	(6.875)	
Satisfaction			-.126
			(-1.228)
Satisfaction × Expertise			.936***
			(9.099)
Adj R²	.557	.672	.671
Results	Supported	Supported	Supported

*** $p < .001$, numbers in parentheses are *t value.*

5. Conclusion

5.1. Discussions
Many managers know the importance of relationship marketing activities, however, how to develop and maintain the relationship with customers is a challenge in the housing brokerage market. The price of housing and real estate is a huge amount, and most people have few chance to deal with the housing brokers. For housing brokers, learning the influences of relationship marketing activities is important issue.

The research study the influences of relationship marketing and the results are as followings: First, the relationship marketing positively impacts on customer satisfaction and customer loyalty, and customer satisfaction positively

impacts on customer loyalty in the housing brokerage market. The results are consistent with previous researches (e.g., Chen and Chiu. 2009; Chiu et al., 2005). The results indicate that housing brokers should invest the relationship marketing activities with their customers, including of financial, social and structural bonds, to increase customer satisfaction and loyalty would. The results also confirm that relationship between relationship marketing and customer loyalty is partially mediated through customer satisfaction in the housing brokerage market.

Second, the study empirically confirm the moderating roles of the housing brokers' expertise in the relationship marketing process. The housing brokers' expertise moderate the relationship of relationship marketing on customer satisfaction, relationship marketing on customer loyalty, and customer satisfaction on customer loyalty. The findings suggest that relationship marketing leads to higher customer satisfaction and customer loyalty as housing brokers' expertise increases. Similarly, customer satisfaction leads to higher customer loyalty as housing brokers' expertise increases. The results show that salesperson expertise could improve the customer relationship process. The housing firms should pay attention to the staff trainings to improve the level of brokers' expertise and then increasing the influences of the housing brokers' relationship marketing activities.

5.2 Limitations and future directions
There are some limitations of the study. First, the research use a cross section method to survey the housing brokers' customers, future researches should investigate the influences of relationship marketing using a longitudinal method by tracking and observing the same group of housing customers. Second, the study explore the relationship among relationship marketing, customer satisfaction and loyalty, and the moderating roles of brokers' expertise, future research could study the impacts of other variables, such as relational characteristics.

Third, the study only examine the research hypotheses in the Taiwan housing brokerage market, future research could study the relationship across different service industries, areas or countries.

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