



## EXAMINING THE INFLUENCE OF BRAND REPUTATION AND CORPORATE BRAND REPUTATION ON THE PURCHASE DECISION OF A HOUSE

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### Abstract

This study investigated the factors that affect home purchase decision-making by examining the positive influence of brand reputation and corporate brand reputation on home purchase decisions as well as the relationship between brand reputation and corporate brand reputation. In this research, data analysis was conducted using structural equation modeling consisting of a measurement model that specified the linear relationship between the latent and observed variables. This step was part of the confirmatory factor analysis of the structural model and the confirmatory factor analysis that specified the causal relationship between the latent variables. The data were collected from questionnaires received from 520 home purchase decision-makers. The majority of the respondents were female (70.8%). The study found that brand reputation, which comprises three components: brand awareness, brand reputation, and corporate brand reputation and credibility, consists of six dimensions, which are emotional appeal, products and services, financial performance, vision and leadership, workplace environment, and social responsibility. The results of the study also indicated that brand reputation influenced purchase decision ( $\beta = 0.80$ ,  $p < 0.001$ ), corporate brand reputation influenced purchase decision ( $\beta = 0.09$ ,  $p < 0.001$ ), and brand reputation influenced corporate brand reputation ( $\beta = 0.14$ ,  $p < 0.001$ ) All of which play an important role in consumers' home purchase decisions and are essential factors for consumers' evaluation of alternatives during the purchase decision stage. Therefore, it was confirmed that a good corporate reputation could be generated by brand reputation. Although previous studies have examined home purchase factors, the connection between brand reputation and corporate reputation in the Thai real estate context remained unexplored. This study therefore contributes to the understanding of the impacts on consumers' purchase decisions and provides valuable



insights for organizations that wish to build and maintain their reputation in the housing business.

**Keywords:** Brand reputation, Corporate brand reputation, Purchase decision, Consumer behavior, Structural equation modeling

## Introduction

Housing is a fundamental human need, and its demand in Thailand continues to grow. Properties priced between 1–3 million baht dominate the market, accounting for 30% of total housing units (DDproperty Editorial Team, 2024). Housing purchase decisions are influenced by changing market conditions and consumer behaviors: 97% of consumers search for product information, 88% are influenced by marketing content, and 60% decide based on personal experience (Safia Oebit & Juniarti, 2023; Pigabyte, 2024). Prior research has highlighted factors such as demographics, finance, location, housing characteristics, environment, and cultural beliefs (Hassan et al., 2021; Thaker & Sakaran, 2016; Mariadas, 2019).

Recent studies emphasize the role of brand reputation in purchase decisions and brand support (Kidane & Sharma, 2016; Ahmadi & Ataei, 2022), and of corporate reputation in shaping word-of-mouth behavior (You & Hon, 2021). Brand reputation also influences corporate reputation, which drives business growth (Milewicz & Herbig, 1994; Azham & Ahmad, 2020; Foroudi, 2019). However, research on the relationship between brand and corporate brand reputation in housing contexts remains limited. This study addresses this gap by examining their influence on consumers' housing purchase decisions.

## Research objective

This study explores the factors influencing housing purchase decisions by examining the positive influence of brand reputation and corporate brand reputation on housing purchase decisions and the relationship between brand reputation and corporate brand reputation.

## Literature review

### Brand reputation

Brand reputation is a critical strategic asset that drives competitive advantage and superior performance (Milewicz & Herbig, 1994). It reflects external perceptions of a brand's prominence and credibility (Fombrun & Rindova, 2000) and acts as a quality signal that shapes consumer evaluations and purchase behavior (Selnes, 1993; Keller,



1993). A strong brand reputation builds trust, visibility, word-of-mouth, familiarity, and social status (Hwang & Wan, 2016), and over time reinforces corporate reputation through consistent credibility and satisfaction (Selnes, 1993; Moreira et al., 2017). Core dimensions include brand awareness, perceived reputation, and credibility (Selnes, 1993; Lau & Lee, 1999; Ahmadi & Ataei, 2022). Strong reputations attract customers, foster loyalty, and enhance profitability (Milewicz & Herbig, 1994).

H1: Brand reputation has a positive influence on purchase decision.

H2: Brand reputation has a positive influence on brand reputation and organization.

### **Reputation Brand Organization**

Corporate brand reputation reflects consumers' perceptions and reactions to a company's performance and stakeholder relationships (Yang & Grunig, 2005). A strong corporate reputation helps firms manage consumer expectations and gain competitive advantage (Berens & Van Riel, 2004; Ponzi et al., 2011). The Harris–Fombrun Reputation Quotient conceptualizes reputation across six dimensions: emotional appeal, products and services, financial performance, leadership vision, workplace environment, and social responsibility (Fombrun et al., 2000). These elements shape how organizations are evaluated and trusted, ultimately influencing their market success (Morley, 2009; HayGroup, 2012).

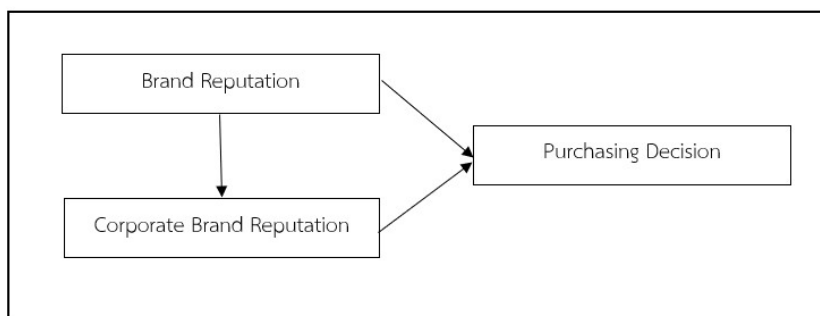
H3: Corporate brand reputation has a positive influence on housing purchase decision.

### **Purchase Decision**

The purchase decision is a core aspect of consumer behavior, involving need recognition, information search, evaluation of alternatives, and final choice (Kotler & Keller, 2012). This structured process remains consistent despite individual differences (Bramantya & Jatra, 2016). In the housing context, decisions are shaped by financial factors, location, infrastructure, service quality, and cultural beliefs. Financial considerations such as income, credit, interest rates, and mortgage terms are particularly critical given housing's long-term investment nature. Supply-side factors like land costs, planning policies, and construction expenses also play a role (Hassan et al., 2021). Additionally, consumers assess product variety, satisfaction, expectations, and payment conditions when making housing decisions (Safia Oebit & Juniarti, 2023)

## Conceptual framework

From the above research hypothesis, it can be presented as a conceptual framework as shown in Figure 1.



**Figure 1.** Research conceptual framework

## Research Methodology

### Sample group

This study employed purposive sampling without knowing the exact population, targeting individuals with prior experience in housing purchase decisions. A sample size of 520 respondents was determined based on Cochran's (1953) formula, which is considered sufficient for analyzing both the measurement model and the structural model, in accordance with the guidelines of Hair et al. (2018). The use of this method ensured that respondents possessed the appropriate qualifications, thereby enhancing the accuracy in explaining causal relationships and improving the consistency between the model and the empirical data.

### Research tools

The researchers evaluated the questions based on the Index of Item Objectives Congruence (IOC) = 1.00 assessment form and revised them based on the experts' suggestions. They were tested (Try Out) using the Cronbach method to determine the consistency of the questions within the same set by measuring the Cronbach alpha value. The alpha coefficient should be greater than 0.60. (Diamantopoulos. & Siguaw, 2000; Hair et al., 2017; Sekaran & Bougie, 2011)

**Table 1.** Cronbach's alpha coefficient of the questionnaire for trial use

variable	Cronbach's Alpha
Brand Reputation (BR)	.782
Corporate Brand Reputation (CBR)	.882
Purchase Decision (PD)	.835



### Data collection

The researchers collected data from a questionnaire from a group of people who decided to buy a house.

### Data analysis

Data were analyzed using Confirmatory Factor Analysis (CFA) to validate the theoretical framework and identify the underlying components of each construct based on standardized regression weights (Hair et al., 2018). Structural Equation Modeling (SEM) was then applied in two stages: (1) the measurement model, to assess the reliability and validity of observed indicators and their relationships with latent constructs; and (2) the structural model, to evaluate model fit and estimate the causal relationships among latent variables.

## Results

### Descriptive statistics

520 online questionnaires, the frequency and percentage of the respondents' answers were analyzed using descriptive statistics. The majority of respondents were female (70.8 percent), aged between 29-45 years (Gen Y), 62.5 percent were single, 70.6 percent had a bachelor's degree, 61 percent had an income between 30,001 - 40,000 baht, 42.9 percent

### Analysis of the structural validity of the measurement model

The measurement model's reliability and validity were assessed through standardized covariance, regression weights, Average Variance Extracted (AVE), and Construct Reliability (CR), following Hair et al. (2021b). Acceptable thresholds include significant regression weights, residual covariance within range,  $AVE > 0.50$ ,  $CR > 0.70$  (or  $0.60-0.70$  with good validity), and component loadings  $> 0.50$ . All constructs met these criteria, indicating satisfactory measurement reliability (see Table 2).

**Table 2.** The Empirical results consist of factors loading, variance and reliability.

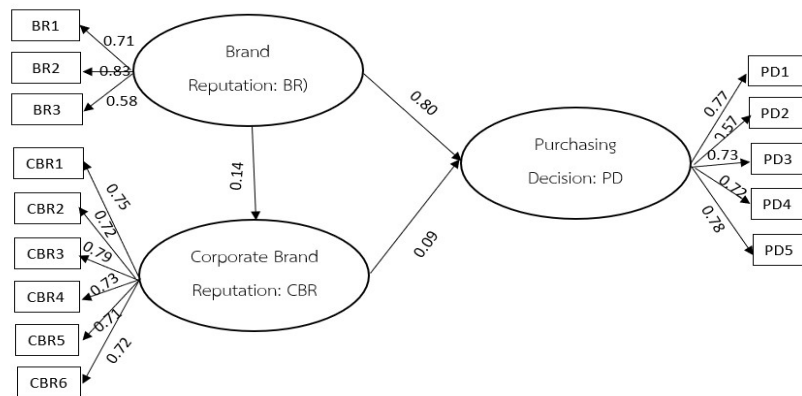
Indicators factors	x	R <sup>2</sup>	CR	AVE
<b>Brand Reputation (BR)</b>		.581	.784	.550
Brand reputation is how consumers perceive a brand through various channels.	.762	.		.
Brand reputation that is, the brand is well-known and famous.	.806			
Brand reputation that is, the brand is reliable and trustworthy.	.648			
<b>Corporate Brand Reputation (CBR)</b>		.527	.883	.557
Corporate brand reputation that is, the brand must be attractive and interesting.	.766			



Indicators factors	x	R <sup>2</sup>	CR	AVE
Corporate Brand Reputation that products and services must be good.	.734			
Corporate Brand Reputation from a brand with good financial performance	.724			
Corporate Brand Reputation It from the vision and leadership of the organization's executives.	.756			
Corporate Brand Reputation from the physical environment of the organization	.770			
Corporate Brand Reputation from the fact that organizations must have social responsibility	.726			
<b>Purchase Decision (PD)</b>		.445	.836	.507
Consumers have a demand for housing.	.667			
Consumers seek detailed information about housing before making a purchase decision.	.642			
Consumers compare brands, location factors, environment, and convenience in their purchasing decisions.	.767			
Consumers make decisions to purchase homes based on their satisfaction.	.721			
Consumers make decisions to purchase based on recommendations from previous residents and referrals to other customers.	.754			

### Hypothesis testing results

From the goodness of fit indices, the structural equation model fit the empirical data very well, supporting the adequacy of the proposed model to represent the relationship among the variables. All the fit indices met the criteria, with  $\chi^2 = 139.666$ ,  $df = 62$ ,  $\chi^2/df = 2.253$ ,  $GFI = 0.964$ ,  $CFI = 0.980$ ,  $RMSEA = 0.49$ . and  $SRMR = 0.0281$ . These findings clearly demonstrate that the structural equation model provides a good fit to the empirical data. Figure 2 presents the structural equation model



**Figure 2.** The structural equation models

In summary, the five correlation indices, namely, the relative chi-square, GFI, CFI, RMSEA, and SRMR, together support the assertion that the model is fit to the empirical data, as their values meet the established acceptance criteria. Multiple correlation indices should be considered when evaluating the overall fit and consistency of a model, as shown by this comprehensive analysis of index values.

From the structural equation modeling analysis, three structural paths were statistically significant in the expected direction at a significance level of  $p = 0.000$ , as shown in Table 3.

**Table 3.** Hypothesis testing results

Influence path	$\beta$	p-value	Result
H <sub>1</sub> BR $\rightarrow$ PD	0.80	0.000***	Accepted
H <sub>2</sub> BR $\rightarrow$ CBR	0.14	0.000***	Accepted
H <sub>3</sub> CBR $\rightarrow$ PD	0.09	0.000***	Accepted

The hypothesis testing found that the factor that influenced the causal relationship of purchase intention (PD) of the model was brand reputation (BR) ( $\beta = 0.80$ ,  $p < 0.001$ ) Brand reputation (CBR) ( $\beta = 0.09$ ,  $p < 0.001$ ), therefore, hypothesis 1 is accepted. 3. In addition, the hypothesis testing found that brand reputation (BR) had a significant influence on corporate brand reputation (CBR) ( $\beta = 0.14$ ,  $p < 0.001$ ) Therefore, hypothesis 2 is also accepted.

The hypothesis testing results revealed that the influence of corporate brand reputation (CBR) on purchase decision (PD) exhibited a relatively low coefficient ( $\beta = 0.09$ ). This suggests that corporate reputation serves more as a supportive or indirect



factor rather than a direct determinant of housing purchase decisions. This interpretation is consistent with branding theory (Keller, 1993; Selnes, 1993; Fombrun & van Riel, 2004), which posits that consumers in the housing market tend to prioritize project-level brand reputation and functional attributes—such as price, location, and material quality—over the overall corporate image. At the same time, corporate reputation functions indirectly by reinforcing credibility and fostering long-term consumer trust (Hassan et al., 2016; Hair et al., 2021)

## Discussion

The findings confirm that brand reputation positively influences purchase decisions, aligning with Hwang and Wan (2016), who showed that strong brand reputation encourages price acceptance and repeat purchases. Selnes (1993) emphasized that brand reputation acts as a quality signal that facilitates consumer decision-making. It strengthens brand awareness, loyalty, and trust, providing firms with a competitive advantage (Selnes, 1993; Moreira, Ferraresi & Gerhard, 2017). In the Thai housing context, consumers prioritize tangible factors such as location, accessibility, quality, and affordability, while corporate reputation plays a reinforcing role in building long-term confidence.

Moreover, the study confirms that brand reputation positively affects corporate reputation, consistent with Selnes (1993), who highlighted its role in visibility, word of mouth, familiarity, satisfaction, and brand identity. A strong brand reputation enhances organizational credibility (Lee, 2015; Nik Mohd Hazrul Nik Hashim, 2023). Corporate reputation, measured through the Harris–Fombrun Reputation Quotient, reflects consumer perceptions and reactions (Fombrun et al., 2000; Yang & Grunig, 2005). A positive reputation offers a competitive edge and fosters trust, thereby influencing purchase decisions (Ponzi et al., 2011; Ahmadi & Ataei, 2022).

Strategically, firms should build reputation at both the project level, emphasizing tangible product attributes (Hassan et al., 2016), and the corporate level, focusing on credibility and social responsibility (Fombrun & van Riel, 2004; Yang & Grunig, 2005; Spence, 2002). Integrating these levels can enhance consumer trust and create sustainable competitive advantages in the housing market (You & Hon, 2021)

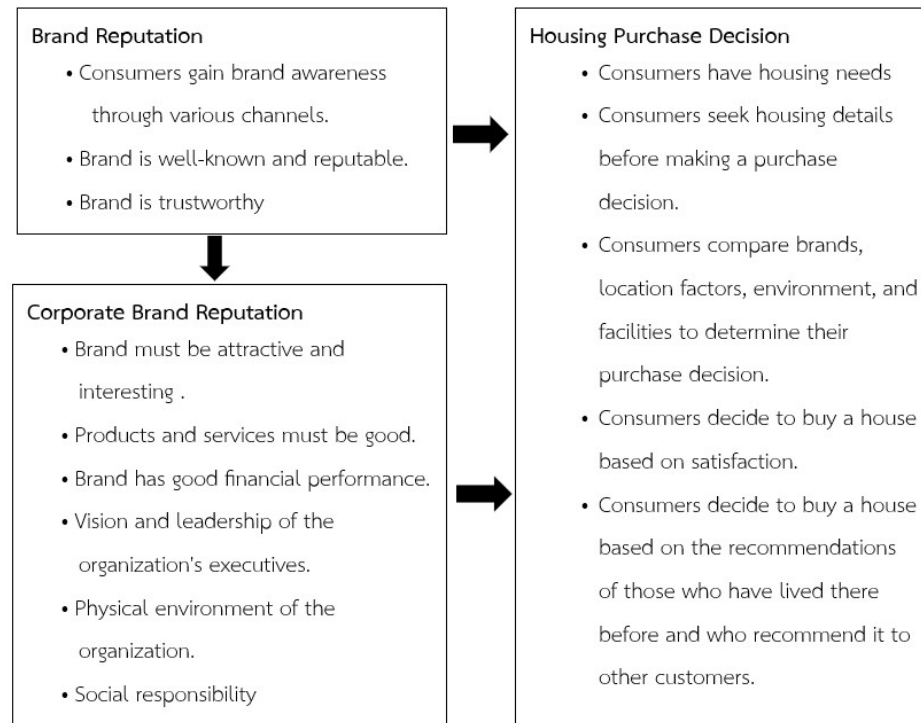
## Body of Knowledge

This research provides new knowledge on brand reputation and corporate brand reputation that influence consumers' decision to purchase housing. It confirms the elements of brand reputation and corporate brand reputation that are scattered from





the literature review. The knowledge can be summarized according to the diagram 3 as follows.



**Figure 3** The Body of Knowledge model

## Conclusion

This study demonstrates that both brand reputation (BR) and corporate brand reputation (CBR) positively influence consumers' housing purchase decisions. The findings support theoretical and empirical perspectives that purchasing decisions are shaped by multiple interrelated factors, with BR and CBR playing critical roles in consumer evaluation and behavior. Furthermore, BR significantly enhances CBR, reflecting the notion that strong, high-quality brands elevate corporate reputation. A well-established reputation signals organizational credibility and competitive strength, reinforcing consumer trust and supporting sustainable business growth. Thus, cultivating both BR and CBR is essential for firms aiming to strengthen market position and long-term performance.



## Suggestions

From the research results, the researchers have the following recommendations.

### Suggestions for applying research findings

Real estate entrepreneurs should strategically develop brand reputation through three key elements—brand awareness, credibility, and perceived reputation—and strengthen corporate brand reputation across six dimensions: emotional appeal, product and service quality, financial performance, leadership vision, workplace environment, and social responsibility. Enhancing these elements can build consumer trust and effectively influence housing purchase decisions.

### Suggestions for future research

1. The academic findings from this research found that consumers' decision to purchase a house consists of 2 factors: brand reputation and corporate brand reputation. Therefore, the results of the study confirm the concept of consumer purchasing decision, which scholars can use as a reference and further study in other academic contexts in the marketing circle.

2. The academic findings from this research found that brand reputation has an influence on corporate brand reputation. Therefore, the study results confirm the two concepts that are related. Scholars can use this as a reference and further study in other academic contexts.

## Research Limitations

This study used purposive sampling to ensure respondent relevance and improve causal explanation accuracy. However, the non-random approach may introduce selection bias and limit the generalizability of findings to the broader housing consumer population. Future research should consider probability sampling or mixed-methods designs to enhance robustness and reliability.

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