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# DETERMINING CONTRACT RENEWAL WILLINGNESS FOR PROPERTY MANAGEMENT COMPANIES: EVIDENCE IN TAIWAN

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## Abstract

With the demand for residential services is continuing increasing, the competitions of property management companies in the market have been gearing up. The study proposes are to (1) explore the effect of perceived value among the collective housing residents on their contract renewal intentions with a property management company; (2) explore the effect of client trust toward a property management company on their contract renewal intentions; (3) construct a Structural Equation Modeling (SEM) to explore the correlation among the clients' perceived value and trust and contract renewal intention. The study questionnaire includes descriptive statistics, trust scale, perceived value scale, and retention scale. This study implements SEM to analyze the relationships among perceived value, trust, and retention. At a 95% confidence level, clients' trust not only affected on perceived value, but also indirectly affected on retention. Improving the perceived value of residents is the most important factor for raising the clients' retention. The property management companies are suggested to (1) have a consistent quality of service, (2) solve the clients' problems on time, (3) allow clients to obtain service information easily, (4) consider clients' needs as top priority, (5) train service staff to have professional skills, and (6) keep apartment management fees in a reasonable range.

Keywords: Retention, Perceived Value, Trust, Structural Equation Model (SEM), Property Management.

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Introduction

Following the changing economic structure of the service industry and the growing per- capita national income, the population of Taiwan has shown a rising demand for a higher quality of life. For instance, residential needs have gradually transformed from mere shelter into a comprehensive living community that provides a sustained life environment and demonstrates a heightened concern for living safety and quality of life. According to the Construction and Planning Agency of the Ministry of the Interior (2018), the registration of 770 apartment management companies in Taiwan indicates a gradual annual increase and intensifying competition in residential property management services. Professional and satisfactory service quality have become crucial factors for the selection of property management services by apartment management committees and residents. There is a need to value consumer satisfaction and establish positive consumer confidence. This is because providing inconsistent service quality can lead to losses of profit and business opportunities, which influence both the livelihood of the company's employees and the benefit of the organization. Conversely, providing higher quality service can lead to greater consumer satisfaction and increased profits, and thus limit negative price competition.

Purchase willingness is one aspect of consumer behavior which can be affected by their expectation of obtaining potentially accessible, disposable, and usable products and related services (Srivastava and Rai, 2013). According to Rai and Srivastava (2014), the cost of acquiring a new customer is five times greater than the cost of maintaining an old one; moreover, an unsatisfied customer may retell a negatively received service experience to eight to ten other consumers. A 5% reduction in the customer attrition rate can boost enterprise profit by 25%–95% (Reichheld and Sasser, 1990). Clearly, developing strategies for customer retention are, therefore, key to maintaining sustainable operations within a system with severe competitive rivalry. Theories about consumer behavior indicate that consumer loyalty and service satisfaction are often manifested in the intention for contract renewal. Since most current property management services are contracted annually, providing greater service value than competitors can successfully maintain consumer willingness for contract renewals. This suggests that developing satisfactory customer relationships is crucial. Accordingly, recognizing customers' value and providing satisfactory service for residents is vital to a company's achieving sustainable operations and profits. How to meet the challenge of dramatic competition for customer loyalty and high customer turnover as well as increase customer willingness for contract renewal is crucial, especially in the property management service sector, which is based on derived demand.

This study investigates the relationships among the perceptions of service value, consumer confidence, and the intention of contract renewal for property management services based on perceptions of residents living in collective housing. A structural equation model (SEM) is constructed to examine the various factors and their effects on contract renewal,

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which may provide further reference for related strategy- making in the industry. Specifically, this study proposes: (1) exploring the effect of perceived value among collective housing residents on their contract renewal intentions with a property management company; (2) exploring the effect of resident trust (interpersonal credibility, interpersonal benevolence, interpersonal capability and confidence, organizational credibility, and organizational benevolence) toward a property management company on their contract renewal intentions; (3) constructing an SEM to explore the correlation among the residents' perceived value and trust and contract renewal intention with property management services, as well as to identify the key factors for improving customer contract intention.

Literature Review

Contract renewal intention is defined as follows: customers experience a certain degree of satisfaction or dissatisfaction when purchasing products or services and this psychological experience will dictate their subsequent behavior (Stanton *et al*., 2016). If the customer is satisfied, they will demonstrate greater repurchase intention; that is, they will purchase the same products or services and recommend them to other people. Fang *et al*., (2014) indicated that customers show their loyalty by deciding to engage in goal- directed buying and actively support—rather than passively accept - companies' products and services. Davidow (2003) stated that contract renewal intentions entail customers demonstrating the intentions to purchase products or services from the same product or service providers

again. These intentions are equivalent to a psychological commitment that the customers express toward the products or services. Jones and Suh (2000) noted that contract renewal intentions signify consumers' intentions to re-purchase products or services. Davidow (2003) elaborates that contract renewal intentions denote that customers will continue purchasing specific products at the same frequency. Jones and Sasser (1995) maintained that that the measurement of customers' contract renewal intentions comprises five dimensions: repurchase intentions, price tolerance, recommending the brand and/or company to others, cross-buying intention, and continuing to purchase the company's products or services even when they are more expensive than those offered by other companies. The measurement of customers' contract renewal intentions consists of three dimensions: (1) intent to repurchase, a crucial indicator of future behavioral intentions; (2) primary behavior, including the quantity and frequency of purchases made as well as the amount of money spent and number of items bought during these purchases (although primary behavior is critical for measuring actual behavior, it changes over time and customers may provide erroneous information); and (3) secondary behavior, such as willingness to introduce and recommend products or services to others and to engage in positive word of mouth, which is crucial to a company's success. In recent years, most studies measuring repurchase intentions or contract renewal intentions have employed this scale.

Accordingly, the present study uses this scale to measure customers' intent to repurchase in three dimen-

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sions, namely, repurchase intention, primary behavior, and secondary behavior (Gronholdt *et al.*, 2000). The terminology used to signify contract renewal and repurchase intentions differs between products and research fields but denotes and implies the same meaning. In this study, customer repurchase intention signifies the intent of apartment building residents to renew their contract with the same property management company. For property management companies, the most important business objective is to have residents renew their contracts and for the companies to continue providing management- related services to the residents. Thus, contract renewal intention is incorporated as a variable in this study.

Researchers have stressed that the perceived value of products and services is a crucial factor influencing consumer repurchase intentions during the consumption process. To gain a competitive advantage, managers need to understand perceived value and what consumers look for in products and services (Adly and Eid , 2016). When consumers perceive that high-value products or services entail lower prices or superior quality, their purchase intentions usually change accordingly, with high perceived value eliciting greater purchase intentions. Gallarza *et al.*, (2016) argued that the use of customer satisfaction to measure customer loyalty is ineffective, and that perceived value is the primary factor influencing customer loyalty. Other researchers have defined perceived value as the customers' overall assessment of product effectiveness (Parasuraman *et al.*, 1988). This concept involves an exchange relationship between the benefits gained from a

purchase (by the customer) and the costs expended (i.e., monetary or nonmonetary costs). Petrick and Backman (2002) claimed that the perceived value involves a comparison between the products or services received and resources given. Customers' perceived value includes acquisition value (costs) and use value (quality); in particular, acquisition value exerts a greater effect on perceived value than does use value. Accordingly, we define the perceived value as customers' perception of the resources that must be expended to purchase a product and receive its benefits. This perception is measured as the ratio of the overall customer value (i.e., benefits) to the overall costs expended, and involves the customers' inner feelings and evaluations.

As described, customers' perceived value should include the dimensions of acquisition value and use value, which are used to elevate customers' overall perceived value (Lee and Overby, 2004). When customers compare the benefits (i.e., qualities) and the sacrifices (i.e., relative prices) involved in transactions, the overall perceived value should increase if they have a more positive perception of the acquisition value and use value (Croinin *et al.*, 2000; Sajeev and Colgate, 2001). In summary, customers will mentally assign prices to products and services and compare them with the actual product and service prices. Such an action creates a contrast between price and product or service quality; thus, the consumers' perceived value and purchase intentions increase when the anticipated prices exceed the actual prices (Thaler, 1985). Trust is crucial to the foundation of interpersonal relationships and is used to in-

vestigate the qualities of the individuals involved, such as the personality traits, psychological state, and effect of the external environment on the "trusters" (i.e., people who trust others) and the "trustees" (i.e., people who are being trusted). For property management companies, providing favorable service quality is a basic condition for developing a positive trust relationship. Coulter (2002) indicated that services are intangible, heterogeneous, simultaneously produced and consumed, and perishable, and that customers normally cannot anticipate the results as well as the risks they are exposed to until after they receive the services. In other words, customers must trust that their service providers to deliver favorable services. Similarly, the service quality of a property management company determines the residents' level of trust in that company. Trust-related studies have shown that varying levels of trust lead to dissimilar outcomes. For example, a high level of trust facilitates subsequent collaboration and serves as a crucial predictor of successful negotiations and conflict management (Fang *et al*., 2014). Egan (2004) mentioned that trust can be viewed as a critical driver in building and strengthening relationships because it lowers perceived risks. Bansal, Zahedi, and Gefen, 2016 indicated that trust features the following characteristics: (1) it signifies people's dependence on or faith in particular events, processes, or people; (2) it reflects people's expectations of favorable results on the basis of their thoughts and life experiences; (3) it implies an agreement between expectations and actual intentions; (4) it entails exposure to certain risks in order to gain the anticipated rewards; (5) it involves a certain degree of uncertainty in the results;

and (6) it means that people are optimistic about or hope for positive results.

Berry (2000) highlighted that trust is generally "an acceptance of vulnerability to another's possible, but not expected ill will or lack of good will." Dondio *et al*. (2006) explained that trust is the confidence that customers have in the service quality and reliability of organizations. Berry (2000) maintained that trust entails the confidence of one party in its trade partner during a transaction, as well as its willingness to rely on the trade partner. Singh and Sirdeshmukh (2002) defined trust as the belief of one party where its partners are honest and understanding, and all parties act in the best interests of the other parties. This belief would reduce risks and prevents opportunistic behavior. Singh and Sirdeshmukh (2002) elaborated that trust is a key mediating variable between pre-purchase and post-purchase behavior and can facilitate building customers' long- term loyalty and encourage closer connections between the two parties in a transaction. Both customer trust and loyalty are parts of the state of mind created by specific relationships. The consumers evaluate the company's performance as they receive the services provided. Accordingly, we define trust as follows: trusters believe in trustees because the trustees demonstrate behaviors that meet the demands of the trusters. In addition, trusters form expectations of trustees according to the latter's behaviors. In other words, residents form expectations of and place trust in their property management companies because the companies exhibit behaviors that meet the residents' demands.

*Hypothesis Development And Construct Survey Data Measurement*

Factors related to resident intention of contract renewal with a property management company were explored in the previous section. Four facets of perceived value assessment including acquisition, transaction, in-use, and redemption values (Parasuraman and Grewal, 2000) and six reliability assessment indicators including interpersonal credibility, interpersonal benevolence, interpersonal capability and confidence, organizational credibility, and organizational benevolence (Singh and Sirdeshmukh, 2002) are adopted to measure the effect of resident- perceived value and trust on the intention to reengage a property management service. The theoretical framework of this study is shown in Figure 1.
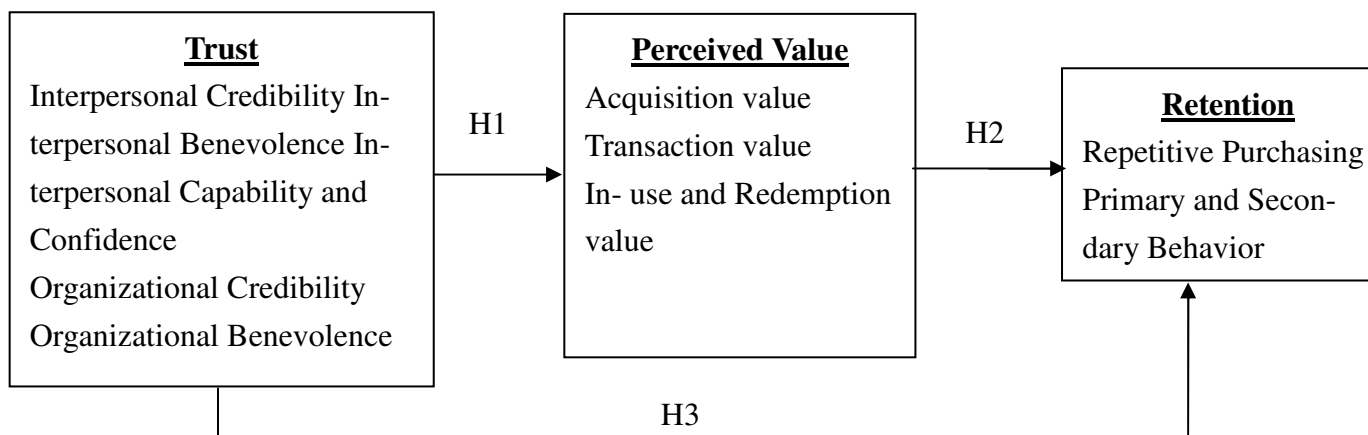


| **Trust**<br>Interpersonal Credibility Interpersonal Benevolence Interpersonal Capability and Confidence<br>Organizational Credibility<br>Organizational Benevolence | H1 → | **Perceived Value**<br>Acquisition value<br>Transaction value<br>In- use and Redemption value | H2 → | **Retention**<br>Repetitive Purchasing Primary and Secondary Behavior |

H3

Figure 1. Hypothesis Framework for this Study

(1) Hypothesis 1 (H1): Higher resident- perceived trust produces higher perceived value in property management services.

(2) Hypothesis 2 (H2): Higher resident- perceived value motivates greater repurchase intention for property management services.

(3) Hypothesis 3 (H3): Higher level of resident- perceived trust generates greater repurchase intention for property management services.

The SPSS Version 18.0 software is employed to conduct the statistical analyses. Subsequently, the IBM SPSS AMOS statistical package is used to construct structural equation modeling (SEM) regarding the influence of resident- perceived values and trust on the contract renewal of a property management service. SEM is a statistical technique that consists of two main parts for the analysis, namely a measurement model and a structural model (Hair *et al.*, 2010; Kline, 2011; Zainuddin, 2012). The measurement model demonstrates the relationships between response items (observed variables) and their underlying latent variables; the structural model demonstrates the correlations and causal dependencies among the measurement model relationships based on the hypothesized inter- relationships among

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them. The mediation testing is carried out following the mediation path analysis procedure using the AMOS software (Zainuddin, 2012).

Reliability analysis is a tool used to evaluate conceptual similarities among similar items in a questionnaire for assessment of measurement stability and consistency. The reliability and validity of a particular construct are examined using the composite reliability (CR) and average variance extracted (AVE) measures. A higher CR index represents a higher internal consistency, against the suggested baseline of CR = 0.6 (Hair *et al.*, 2016) and AVE > 0.5 indicating high internal structure fit. The overall fit of the model is reviewed before implementing the SEM. Various indices are pro-

vided by the SEM to evaluate the influence of the sampling scope and characteristics, with higher goodness-of- fit index (GFI) scores denoting higher model applicability and more meaningful parameter calculation. The SEM–GFI scale in this study is designed using a combination of the chi-squared test with the degrees of freedom ($\chi^2$/df), adjusted GFI, GFI, root mean square error of approximation, comparative fit index, standardized root mean square residual, and non-normed fit index (i.e., Tucker–Lewis index) according to Zainuddin (2012), Kline (2011), and Hair et al. (2010) Additionally, CR and AVE values are employed for the measurement. The GFI scores adopted in this study are listed in Table 1.

Table 1. The Measures Of Goodness - Of - Fit Indexes Used In This Study

| Goodness-of- fit index | Bagozzi and Yi (1988), Bentler (1990), Taylor and Todd (1995), and Hair et al. (2006) | Applied in this study |
|---|---|---|
| Absolute fit measures | | |
| $\chi^2$/df | number between1 and 3 | <3 |
| GFI | number between 0 and 1 | >0.9 |
| RMSEA | >0.1 | <0.08 |
| SRMR | number between 0 and 1 | <0.05 |
| Comparative fit measures | | |
| AGFI | number between 0.8 and 0.9 | >0.9 |
| CFI | >0.9 | >0.9 |
| NNFI(TLI) | >0.9 | >0.9 |

*Questionnaire Pretesting, Reliability, And Validity Analyses*

This section addresses the questionnaire design and development. A questionnaire pretest and reliability

and validity analyses are conducted to test the discrimination and internal consistency of the questionnaire items. Furthermore, descriptive statistics of the demographics, perceived value, trust, and contract renewal intention

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data are compiled and explained. Subsequently, item content and semantics are revised so that they match the current service environment encountered by property management companies. In the items, the term "service personnel" refers to all service personnel including apartment building cleaning personnel, security personnel, community director generals, community secretaries, community managers, and electromechanical personnel.

Various questionnaire constructs are devised, comprising 61 items, obtained after a review of the related literature regarding repurchase intention, perceived value, and customer trust in property management services, along with suggestions for the industry. Specifically, there are 25 items addressing resident trust (interpersonal credibility, interpersonal benevolence, interpersonal capability and confidence, organizational credibility, and organizational benevolence), 27 items addressing perceived value (acquisition, transaction, in-use, and redemption values), and 9 questions addressing repurchase intention (repetitive purchasing, primary behavior and secondary behavior). 50 sample pretests were distributed to confirm the GFI and reliability of the questionnaire before the commencement of formal measurement. The analysis of the results is conducted in three stages, and involves the following procedures ( Henseler *et al*, 2014). First, a correlation coefficient pretesting is used to delete one of the two identical items with high correlation coefficients (coefficient > 0.9). Second, coefficients with internal consistency are adopted to order all sample pretests from high-

est to lowest and delete items with nonsignificant critical ratios. Finally, items manifesting communality values lower than 0.5 are excluded to ensure the overall reliability and validity of the measurement design. The measurement sets are further arranged to facilitate the subsequent SEM analysis because the questionnaire does not have sufficient discriminatory power to attain convergent validity or significance when only three items are included in a construct (Close *et al*., 2016, Lee, 2012, Chaudhuri, 2001). For example, in the measure of resident trust, the construct of interpersonal capability and the construct of interpersonal confidence are combined as the constructs of interpersonal capability and confidence; the construct of in-use value and the construct of redemption value in the measure of perceived value are combined as the construct of in-use and redemption values; and in the measure of repurchase intention, the constructs of primary and secondary behaviors are combined as the construct of primary and secondary behaviors.

In summary, after the three-stage examination of the correlation coefficients, item discrimination, and communality, four items were deleted from the questionnaire constructs of trust, perceived value, and repurchase intention from the constructs of interpersonal trust, interpersonal kindness, in-use and redemption values, and primary and secondary behavior measures. Finally, the Cronbach's alphas of the constructs devised in this study are 0.896–0.972, indicating that the measurement variables are satisfactorily reliable, as shown in Table 2.

Table 2. The Cronbach's Alphas Of The Constructs Devised In This Study

| Assessment Indicators | Cronbach's α | Standardization Cronbach's α |
|---|---|---|
| Interpersonal Credibility | 0.925 | 0.925 |
| Interpersonal Benevolence | 0.915 | 0.917 |
| Interpersonal Capability and Confidence | 0.896 | 0.897 |
| Organizational Credibility | 0.922 | 0.922 |
| Organizational Benevolence | 0.926 | 0.928 |
| Acquisition values | 0.940 | 0.941 |
| Transaction values | 0.972 | 0.972 |
| In- use and Redemption values | 0.896 | 0.903 |
| Repetitive Purchasing | 0.927 | 0.929 |
| Primary Behavior and Secondary Behavior | 0.914 | 0.914 |

(Editor's Note: See Tables 3 - 6 and Figure 3 at the end of this article.)

*Descriptive Statistics Analysis*

Questionnaires were distributed to 750 residents serviced by property management companies in Taiwan. A total number of 610 questionnaires were returned, achieving an 81.3% return rate. Blank questionnaires, those with incomplete answers, those with the same answer to all questions, and duplicate participants were considered unusable. Therefore, the questionnaire response rate for this survey was 55.1%, with 413 usable responses and 197 unusable responses. The results of analysis of the demographic data statistics are presented in Table 3. The participants in this study were primarily married males from nuclear families, between the ages of 50 and 59 years, who received an undergraduate-level education. Most note that their family monthly income is between NT$40, 001–NT$50, 000 with the next largest group being NT$30, 001–NT$40, 000. Most customers also indicates that their experiences with receiving customer services (e.g., problem- solving) from their respective property management company occurred twice or never, and that property management fees were around NT$45/square foot or NT$46-NT$50/square foot.

Model Implementation

Using the hypotheses developed in Section 2, a path analysis is conducted to construct a structural model for the variables along the proposed constructs. The adjusted GFIs of the structural model are indicated in Figure 2. The overall model analysis results are presented in Table 4. The analytical results for the path coefficients among

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the constructs reveal that if trust has a significant influence on perceived value (i.e., within the 95% confidence level), then greater resident trust produces greater perceived value toward a property management company (Hypothesis 1); similarly, if perceived value has a significant influence on repurchase intention (i.e., within the 95% confidence level), then greater resident- perceived value of a property management service generates greater repurchase intentions (Hypothesis 2). Referring to Hypothesis 3, it is found that resident trust has a non-significant influence on repurchase intentions, within the 95% confidence level, and does not directly affect resident willingness for service renewal. In addition, this study indicates that interpersonal kindness has a significant influence on interpersonal trust; thus, when a property management service displays greater interpersonal kindness, the resident perception of interpersonal trust in the service increases. Moreover, although it has been noted in the literature hat in other industries customer trust positively affects service repurchase intentions, the results of this study demonstrate that resident trust does not positively affect service contract renewal in the property management industry.

This may be because residents do not develop trust solely from a single aspect of the service; therefore, recognition of the overall perceived value in a property management service should be considered. When residents recognize the perceived service quality and the operation stability of a property management company, greater service satisfaction and enjoyment can lead to a higher willingness to accept service charges and higher perceived level of

customer confidence; this subsequently results in greater trust in the given property management company. Therefore, as suggest in Hypothesis 2, resident repurchase intentions are related to service quality, service charges, and the enjoyment provided by a property management company when the service charge is minimal, the service quality is consistent, and the customer service experience is pleasant. Specifically, concerns regarding the reliability, kindness, and professionalism evidenced in the provision of property management services (e.g., customer commitment, endeavor and concern in customer service, professionalism, problem- solving capability, and customer confidence (Hypothesis 3) are not significantly correlated with resident repurchase intention.

The coefficient of determination ($R^2$) is adopted to evaluate the explanatory power of latent independent variables on latent dependent variables, indicating the proportion of variance for the internal structure of the model. Notably, higher $R^2$ values represent greater explanatory power. The analysis results reveal that the $R^2$ values of the constructs of trust, perceived value, and repurchase intention are 0.88, 0.82, and 0.89, respectively; thus, the explained variances of the endogenous variables from trust, perceived value, and repurchase constructs to the overall model are 88%, 82%, and 89%, as shown in Table 5. In short, a satisfactory variance explanation can be applied to the perceived trust, repurchase intention, acquisition value, transaction value, in- use value, and redemption value measures. As indicated in Table 6, the perception of trust affects the perceived value directly (0.906). This suggests that residents' recognition of

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perceived value can be influenced directly by a property management service that practices interpersonal credibility, interpersonal benevolence, interpersonal capability and confidence, organizational credibility, and organizational benevolence. Furthermore, a property management company's service charges can generate economic benefits when the pricing is reasonably fair and open. Regarding their expectations of customer service, residents most value service quality. Specifically, residents expect their property management company to provide timely, customized, and excellent customer service; other related concerns, such as well- maintained physical facilities and an overall level of professionalism from the service personnel, help enhance the perceived service quality regarding interpersonal trust, interpersonal kindness, interpersonal capability and confidence, organizational reliability, and organizational kindness. Finally, based on the significant positive total effects of perceived value on resident repurchase intention (0.836), the subsequent behavior of residents may alter when satisfactory service values are perceived to be provided by a property management company. For instance, the accessibility of service information can be enhanced when convenience and timeliness of services for the residents are considered, which stimulates a greater perceived value from the service experience and facilitates greater positive effects on residents' intentions to repurchase that property management service. Although trust exerts no significant and direct effect on the residents' contract renewal intentions, it still exhibits an indirect effect (0.757) on their contract renewal intentions. This indicates that the residents develop trust in the prop-

erty management companies' services, and that the perceived value of the services indirectly influences the residents' contract renewal intentions. This means that the residents' perception of services indirectly affects their trust in the property management companies.

## Conclusions And Directions For Future Research

This study focuses on the residents of apartment buildings serviced by property management companies in Taiwan. Four hundred and thirteen valid responses were received from the questionnaire survey. The overall survey results support H1, that the establishment of solid trust relationships with residents elevates perceived service value. Property management companies should do their best to fulfill all service commitments, record these commitments in the contract, and be willing to sacrifice their own interests to satisfy residents' needs. Regarding professional competence, service teams should be trained to use professional knowledge and technologies to create value for their services, and companies should hire experienced management and maintenance service personnel with professional knowledge, professional licenses, and maintenance abilities.

Furthermore, service personnel should show concern for and provide care for residents, maintain friendly and interactive relationships with residents, actively solve problems, and demonstrate a sense of confidence, allowing residents to trust them and have peace of mind. With respect to overall management, property management companies should spell out complete policies and preserve a stable business

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environment through actions such as making their financial information public; engaging in normal appropriation of funds and distribution of salaries; adjusting the management fees so that they reflect the companies' operating costs; and ensuring that company systems, administrative affairs, and community management are aligned with one another, thereby elevating the effectiveness of business operations and policies. The survey results also support H2, that contract renewal intentions are related to service quality and price in property management companies. The service quality of property management companies should not be influenced by the daily whims of the service personnel, and service personnel should adopt standardized service standards when serving residents.

In addition, property management companies should provide detailed information about the collection of management fees and maintenance and repair costs, impose reasonable management fees, and not overcharge their clients. Accordingly, property management companies should establish standardized service processes and procedures (e.g., by providing standardized forms and file formats, making financial information public, and properly recording and storing contract documents) and offering quality management practices (e.g., ensuring management and service abilities, managing resident complaints and offering customer service channels, adequately responding to emergencies, and acquiring ISO certification) to assess service standard sustainability, review service errors, and complete improvement endeavors.

The survey results reject H3, because trust exerts only an indirect effect on contract renewal intentions. When residents trust the services offered by property management companies, their perceived value of the services will indirectly influence their contract renewal intentions. This indicates that perceived value is a key factor influencing contract renewal intentions, and that the greater the perceived value of the services provided by the property management companies, the greater the residents' intentions are to renew their contracts with the property management companies. With a 95% confidence interval, interpersonal benevolence exhibits a significant effect on interpersonal credibility, denoting that the greater the residents' perception of the property management companies' interpersonal benevolence, the stronger their perception of the companies' interpersonal credibility becomes. This signifies that property management companies should consider residents' interests as their top priority and not be solely concerned with the company's interests. For example, property management companies should not rent parking spaces to nonresidents to increase revenue at the expense of public security and living quality. In addition, whether service personnel provide services to residents purely out of goodwill and whether service personnel abide by ethical standards will influence the residents' overall assessment of the property management company as well as their intentions to renew their contracts with the company.

The results of this study could serve as a reference for property management companies when making business decisions and to resident

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committees when making management and contract renewal decisions in the future. Based on these results, this study offers the following recommendation for future research. It can be assumed that services offered by property management companies will differ according to region (i.e., northern, central, and southern Taiwan), community size, and property type (i.e., service types). Subsequent researchers should conduct cross- analysis of the dissimilar services offered by various property management companies, for comparison between the contract renewal intentions of residents of different backgrounds.

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Table 3. Demographic Data For Statistical Analysis

| Item | Categories | Number of people | Percentage (%) |
|---|---|---|---|
| Gender | Men | 248 | 60.0 |
| | Male | 165 | 40.0 |
| Age | Under 19 years old | 11 | 2.7 |
| | 20- 29 years old | 97 | 23.5 |
| | 30- 39 years old | 90 | 21.8 |
| | 40- 49 years old | 80 | 19.4 |
| | 50- 59 years old | 102 | 24.7 |
| | Over 60 years old | 33 | 8.0 |
| Marriage status | Single | 158 | 38.3 |
| | Married | 255 | 61.7 |
| Education level | Junior high school (inclusive) Below | 25 | 6.1 |
| | Senior high school | 94 | 22.8 |
| | Junior college | 88 | 21.3 |
| | University | 146 | 35.4 |
| | Graduate school (or above) | 60 | 14.5 |
| Family type | Three generations under one roof | 54 | 13.1 |
| | Parents and children living together | 224 | 54.2 |
| | Couples living together | 77 | 18.6 |
| | Living alone | 58 | 14.0 |
| Occupation | Military, Public and Teaching Personnel | 23 | 5.6 |
| | Agricultural, Forestry, Fishery and Husbandry | 16 | 3.9 |
| | Commerce | 115 | 27.8 |
| | Service industry | 187 | 45.3 |
| | Housewife | 16 | 3.9 |
| | Student | 14 | 3.4 |
| | Freelancer | 19 | 4.6 |
| | Retiree | 14 | 3.4 |
| | Other | 9 | 2.2 |
| Monthly family income | NTD 20000 (inclusive) or below | 10 | 2.4 |
| | NTD 20001- 30000 | 66 | 16.0 |
| | NTD 30001- 40000 | 80 | 19.4 |

| Item | Categories | Number of people | Percentage (%) |
|---|---|---|---|
| | NTD 40001- 50000 | 97 | 23.5 |
| | NTD 50001- 60000 | 38 | 9.2 |
| | NTD 60001- 70000 | 26 | 6.3 |
| | NTD 70001- 80000 | 29 | 7.0 |
| | NTD 80001(or above) | 67 | 16.2 |
| Most customers also indicate that they have had experience with receiving customer services (e.g., problem- solving) from their property management company | Never | 79 | 19.1 |
| | 1 | 64 | 15.5 |
| | 2 | 87 | 21.1 |
| | 3 | 69 | 16.7 |
| | 4 | 13 | 3.1 |
| | 5 | 41 | 9.9 |
| | 6 | 18 | 4.4 |
| | 7 | 7 | 1.7 |
| | 8 | 2 | 0.5 |
| | 9 | 3 | 0.7 |
| | 10 | 18 | 4.4 |
| | 11 | 1 | 0.2 |
| | 12 | 4 | 1.0 |
| | 13 | 1 | 0.2 |
| | 15 | 1 | 0.2 |
| | 20 | 5 | 1.2 |
| Payment of building management fees | NT$45/square foot (inclusive) for below | 142 | 34.4 |
| | NT$46- 50/square foot | 112 | 27.1 |
| | NT$51- 55/square foot | 77 | 18.6 |
| | NT$56- 60/square foot | 48 | 11.6 |
| | NT$61- 65/square foot | 7 | 1.7 |
| | NT$66- 70/square foot | 9 | 2.2 |
| | NT$71/square foot | 18 | 4.4 |

Table 4. SEM Overall Model Analysis Results

| Path | Path values | T- Test (Significance) | Hypothesis verification |
|---|---|---|---|
| Trust→Perceived value | 0.906 | 16.688** | H1 hypothesis is valid |
| Perceived Value→Retention | 0.895 | 8.889** | H2 hypothesis is valid |
| Trust→Retention | - | - | H3 hypothesis is invalid |
| Interpersonal Benevolence →Interpersonal Credibility | 0.560 | 7.036** | - |
| Trust→Interpersonal Credibility | 0.048 | 16.815** | - |
| Trust→Interpersonal Benevolence | - | - | - |
| Trust→Interpersonal Capability and Confidence | 0.037 | 11.377** | - |
| Trust→Organizational Credibility | 0.055 | 19.922** | - |
| Trust→Organizational Benevolence | 0.59 | 19.697** | - |
| Perceived Value→Acquisition value | - | - | - |
| Perceived Value→Transaction value | 0.054 | 20.932** | - |
| Perceived Value→In- use and Redemption value | 0.05 | 20.353** | - |
| Retention→Repetitive Purchasing | - | - | - |
| Retention→Primary and Secondary Behavior | 0.051 | 18.8** | - |

** : p <0.01

Table 5. Overall model Variance Explained

|  | $R^2$ | Variance explained |
|---|---|---|
| Trust | 0.88 | 88% |
| Perceived value | 0.82 | 82% |
| Retention | 0.89 | 89% |
| Interpersonal Credibility | 0.86 | 86% |
| Interpersonal Benevolence | 0.78 | 78% |
| Interpersonal Capability and Confidence | 0.85 | 85% |
| Organizational Credibility | 0.99 | 99% |
| Organizational Benevolence | 0.93 | 93% |
| Acquisition value | 0.90 | 90% |
| Transaction value | 0.94 | 94% |
| In- use and Redemption value | 0.99 | 99% |
| Repetitive Purchasing | 0.91 | 91% |
| Primary and Secondary Behavior | 0.97 | 97% |

Table 6. The Path Effects

| Path affects | Direct values | Indirect values | Total values |
|---|---|---|---|
| Trust→Perceived value | 0.972 | - | 0.972 |
| Perceived Value→Retention | 0.896 | - | 0.896 |
| Trust→Retention | - | 0.871 | 0.871 |
| Interpersonal Benevolence →Interpersonal Credibility | 0.560 | - | 0.560 |

Standardized estimates

$\chi^2$ = 493.262; Degrees of Freedom(df) = 310; $\chi^2$ /df = 1.591

GFI = 0.919; AGFI = 0.901; RMSEA = 0.038
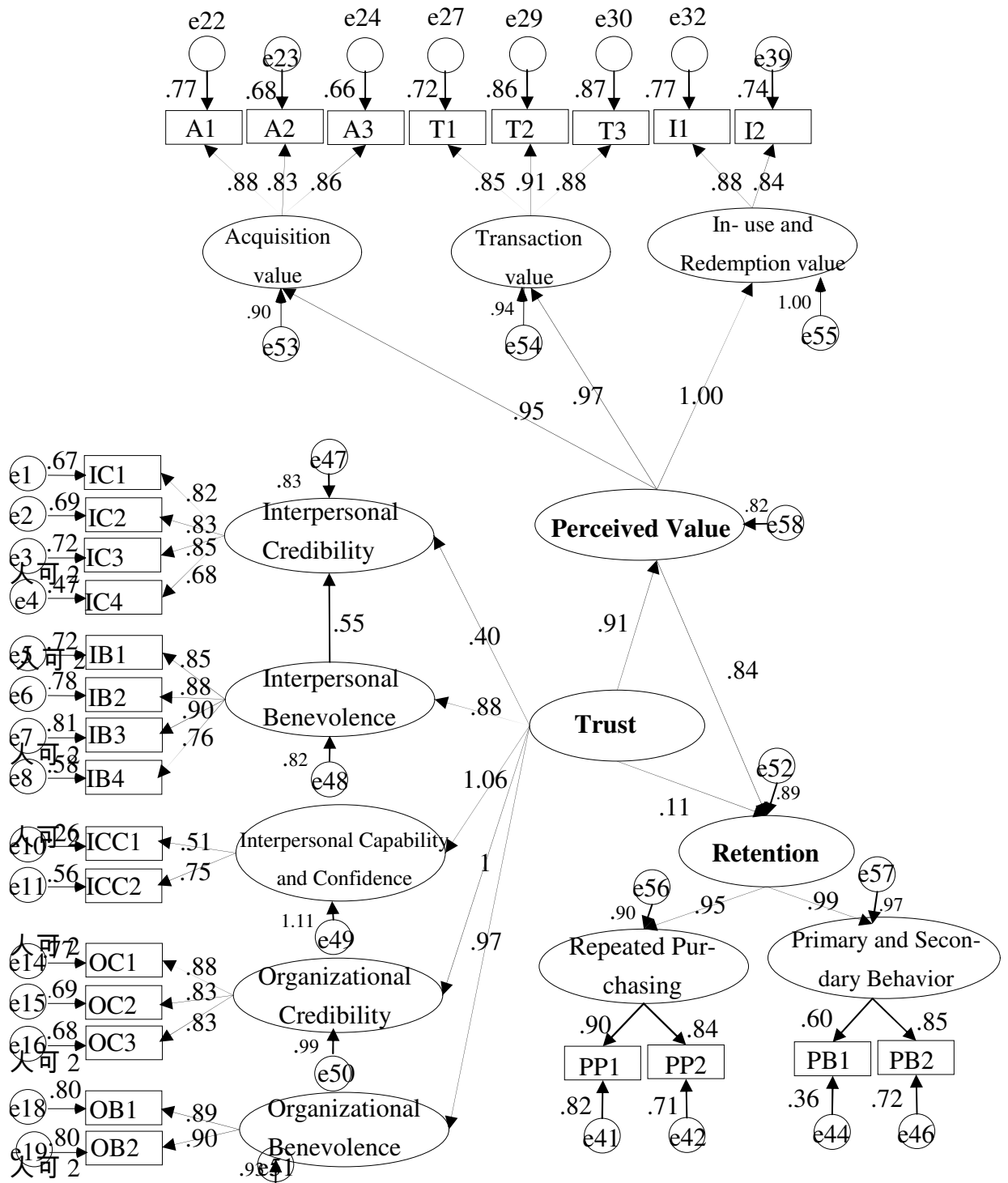
CFI = 0.982; TLI = 0.980; SRMR = 0.027

Figure 2. Results For The Contract Renewal Willingness Structural Model