

A Study on the Effect of Construction Safety Accidents on Company Image and Consumer Needs

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Abstract

More and more consumers are giving a higher weight to the corporate image of the construction company when they purchase apartments. To keep the construction economy at a certain level, it is important to secure and satisfy these consumers, yet there have been few studies performed on this topic. Therefore, this study aims to analyze the effect safety accidents have on corporate image, and on the purchase intent of consumers. A questionnaire survey was conducted on 90 residents in their 20s and older, and from the results it was concluded that safety accidents have an impact on the direct and indirect losses of construction companies.

Keywords: Construction safety accident, Social responsibility, Company image, Consumer desire

Introduction

The number of consumers who try to respond to social responsibility of companies more actively through purchases is on the rise.[1] However, when a construction safety accident occurs before purchasing an apartment, there is an implication that the accident will have an adverse impact on consumer loyalty due to consumer dissatisfaction, which is incongruent with the emotion of the consumers after purchase.[2] Therefore, this study aims to define the type of safety accident that affects a company's image and clarify the examples of such a safety accident, and to measure the influence of these factors on the purchase intent, company image, and brand power. Thus, in this study an analysis was performed on the impact of a safety accident at a construction site on the company image and purchase intent of consumers based on previous studies. To do this, 90 residents in their 20s or older were surveyed through a questionnaire.

Theoretical review of the company image and the purchase intent of consumers

In previous studies of the company image, Kotler(1994) defined a brand as a synthesis of the logo, symbol, registered product and package design used to differentiate a product or service of a company from that of competitors. In terms of previous studies on the purchase needs of consumers, most have been conducted on the behavioral intent in order to address the limitation of the expectation of consumer action.[3] Walters & Paul(1974) indicated that the purchase intent is a decision-making process of what service to purchase, and when, where, how and from whom the service is purchased.[4] Sternthal&Craig (1982) claimed that the purchase intent is related with the examination of the decision-making process of consumers and the consumers' choice and usage of the product or service.[5] In addition, Kallat&Blackwell(1978) contended that a consumer's action includes the decision-making or personal action directly related with the acquisition of a product or service.[6]

An analysis of the brand image and the purchase intent in a safety accident scenario

The socially responsible activities of companies give a positive image to a brand, and also have an impact on the final decision-making step of the purchase. Overall, socially responsible activities may contribute to facilitation of the purchase intent.

This study examines how a safety accident affects the brand image upon the purchase of an apartment(a townhouse). Therefore, the relationship between the level of exposure of consumer to the media and the awareness of an apartment brand was clarified, as well as the relationship between the awareness of an apartment brand and the purchase. Based on the review of the previous studies, the hypotheses of this study were set as follows. First, the company image is changed by a safety accident. Second, the purchase intent of consumers is changed by a safety accident. Third, there is a positive relationship between the awareness of apartment brand and the purchase intent for an apartment brand.

Consumer awareness of a company image

Before examining the impact of a safety accident on the company image, positive attitude, high purchase intent, and brand reliability of a specific brand consumers have purchased for a certain period of time were examined. The following factors were surveyed.

Table 1. Questions on the elements of a company image

Element	Question
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Brand preference	“When it comes to this company, a stable image comes up.” “When it comes to this company, a friendly image comes up.”
Brand prestige	“When it comes to this company, a prestige image comes up.”
Brand reliability	“When it comes to this company, I want to purchase a product.” “When it comes to this company, a reliable image comes up.”

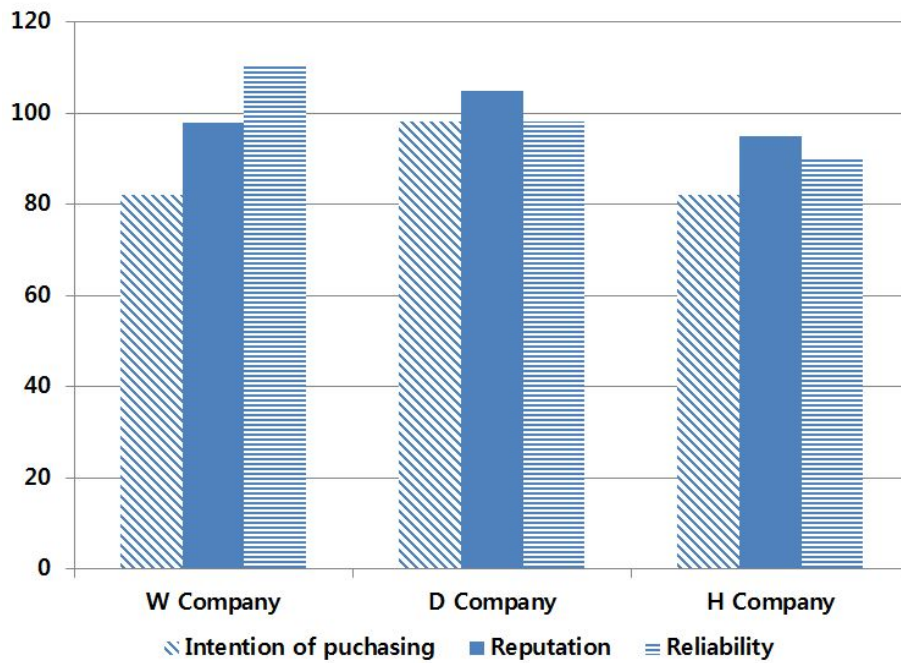


Figure 1. Survey results by factor

Consumer awareness of safety accidents

The respondents were as follows. To the question on whether the respondent considered the brands when planning to purchase an apartment, 7 respondents (7.8%) answered “never,” 35 (38.9%) “hardly,” 23(25.7%) “moderately,” 29 (32.2%) “considerably,” and 1 (1.1%) “extremely.” To the question on whether

the respondent has an intent to use a product of the company in the future, 3 respondents (3.3%) said “never,” 15 (16.7%) “hardly,” 39 (43.3%) “moderately,” 29 (32.2%) “considerably,” and 4 (4.5%) “extremely.” To the question on whether the respondent would recommend a product of the company to others, 24 respondents (26.7%) responded “hardly,” 33 (36.7%) “moderately,” 28 (31.1%) “considerably,” and 5 (5.5%) “extremely.”

Table 2. Factors measured by awareness component according to safety accident

Factor	Question
Impact of a brand on consumers	“I considered the company brand at the decision-making of purchase.”
Re-purchase intent of consumers	“I have an intent to use the product of this company(apartment, or townhouse) in the future”
Purchase intent after the completion with no accident	“I will recommend the product of this company(apartment, or townhouse) to others.”
Purchase intent after the completion with an accident	“I have an intent to purchase a product of the company that had an safety accident in the future.”

Relationship between the consumer awareness and the purchase intent for an apartment brand

To the question on whether the company image has raised thanks to no accident, 0 respondent(0%) answered “never,” 5(5.5%) “hardly,” 24(26.7%) “moderately,” 45(50%) “considerably,” and 16(17.8%) “extremely.” In addition, to the question on whether the image of the company feels better than that of other companies thanks to no accident, 1 respondent(1.1%) answered “never,” 8(8.9%) “hardly,” 28(31.1%) “moderately,” 43(47.8%) “considerably,” and 10(11.1%) “extremely.”

Table 3. Questions by factor for the purchase intent and consumer awareness of the apartment brand

Factor	Question
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Perceived image	The image has improved compared with the existing one.
Changes in image	The company image feels better than others.
Perceived image	It impaired the existing image of the company.
Changes in image	The company image feels worse than others

Conclusion

The results support the hypotheses that a safety accident has an adverse effect on company image, and that the consumers' purchase needs decline according to the severity of safety accidents. Most respondents to the survey drew the conclusion that a construction safety accident can have a serious influence on the company image, as other accidents do. In addition, the safety accident has a considerable impact on the indirect loss afterward along with the short-term direct loss. Therefore, to prevent a negative effect on the company image, the consumers' purchase rate, and profitability, companies need to make an effort to decrease the number of safety accidents. Based on the findings of this research, a more concrete plan for reducing safety accidents should be proposed in the future.

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