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Impact of estate agents on market and the relationship with experience

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In markets we witness firms competing to satisfy the needs of consumers. The reason of their activity is to maximize their profits. On the other hand consumers try to maximize their utility by looking for goods with highest quality and cheapest price. Though in theory (perfect competition markets) scholars assumed that all agents have all information they needed, in daily life they don't. They should strive to get information by searching. Addition to this, they face with transaction costs while they are searching. Intermediaries are important for decreasing transaction costs and searching time, facilitating transactions. However, some people don't agree and they think that intermediaries are agents who earn without contributing market equilibrium or facilitating transactions. Experiences are important in making effective decisions and perceptions of agents. Generally, we witness that experienced agents make more accurate decisions in economic life.

The aim of this study is to determine perceptions of Kastamonu University pupils about the role of intermediaries in economy and question the relationship between market experience and perceptions about the role of them in economy. To this aim, a query is conducted to pupils in university. In this query real estate market was chosen and questions were asked about them. Also, study searched if experiences are important in shaping perceptions and obtained significant results.

JEL Classifications: D44, L85, D83

Keywords: Intermediaries, estate agents, transaction costs, facilitating transactions

Introduction

Consumers try to maximize their utility while firms try to get maximum amount of profit. Theory says that market equilibrium and efficiency are obtained by both actions of consumers and firms. However in daily life market efficiency cannot be obtained easily as theory says. There are many barriers in getting market efficiency including information problems. One side can have more information than other and this situation is called as asymmetric information in economic theory (Akerlof, 1970). Also both sides can not have enough information about market. As a result the lack of information is one of the main problems that prevent market efficiency.

In markets intermediaries play an important role on solving information problem, providing stability of markets (Odoricci and Corrado, 2004). They transfer important information to uninformed side of market, reduce search and transaction costs, contribute to price discovery, and facilitate transactions. Estate agents are one of the main examples of intermediaries. They can be evaluated as a bridge between buyers and sellers of real estates. However, estate agents could try to persuade estate owners to sell their assets with a lower price because they want to perform transactions in a shortest time (Levitt and Syverson, 2008, p.609). Folkman et al. (2007) investigates the role and effects of

intermediaries in today's economy and revealed that capital market intermediaries are emblem of present day capitalism.

Many agents in economy make decisions by using their experiences about markets and economy. In other words, experiences are one of the most important assistant of agents while making decisions. Generally, the decisions of experienced agents are more accurate than the decisions of inexperienced agents. Therefore perceptions of experienced agents are important to screen the realities of markets.

The article proceeds as follows. At first, literature related with the importance of intermediaries in providing economic efficiency is reviewed and discussed about it. Then this study searched how they facilitate transactions in markets. Also the importance of experiences in making right economic decisions and why experienced individuals give more accurate decisions is discussed. Then this research mention about our questionnaire that was conducted on Kastamonu University Faculty of Economics and Administrative Sciences Faculty. Real estate market and agents are chosen to reach our goal because consulting or making business with estate agents is widespread in society. Hypotheses are developed and tested using data from our sample. The relationship between the perceptions about estate agents and experiences is searched. Finally, this research discusses conclusions and implications.

Intermediaries and economic efficiency

Though in theory economic efficiency can be obtained, in practice realities cannot permit the efficiency of markets as easy as theory says. Asymmetric information is one of the main barriers for market efficiency and the main reasons of market failures. It exists when buyers are more informed about markets than sellers or vice versa (Akerlof, 1970). Adverse selection and moral hazard problems play an important role in economy and market transactions (Wimmer et al., 2000, p.410). There is not only asymmetric information problem in markets but also problems of matching, negotiating contracts, opportunistic behaviors etc. In literature costs that include gathering information, negotiating contracts, protecting one agent against opportunistic behavior are called as coordination costs (Malone et al., 1987). To eliminate asymmetric information and other problems, some actors (intermediaries) should become active and solve problems about asymmetries. We can witness many studies about intermediaries in literature (Dilek, 2014). Intermediaries reduce risks that can prevent trade by providing immediacy, holding inventories and doing other actions (Wimmer et al., 2000, p.409). One of the main definition of intermediary is an actor who search suppliers, find and encourage buyers, choose prices, administrate the payments and record keeping for transactions, determine the terms of transactions, hold inventories to provide liquidity or availability of goods and services (Dilek, 2014; Spulber, 1996, p.135). Wimmer (et al., 2000, p.407) claimed that intermediaries assist search function of commerce by making better matches and also work as distributors, resellers or brokers. By this way they provide information network necessary to market transactions. The aim of intermediary (estate agents) is to sell the estate for as high a price as possible and as quickly as possible (Yavaş and Yang, 1995, p.347). By the help of intermediaries, consumers maximize their utilities and firms maximize their profits. So, Pareto optimal conditions are obtained and every participant of market becomes better off without making other participants worse off. For instance; if you want to sell your house, car or anything else you will give advertisement in newspapers, magazines, internet etc. Also you will wait phones of potential buyers, answer them, show your house or car or shortly waste your time. On the other hand if you want to buy a house you will read and search advertisements, phone them, negotiate sellers etc. All of them are costs for both sides. If buyers and sellers use intermediaries, all costs are taken by intermediaries. However, they are giving many advertisements and because of scale of economics their advertisement costs are lower. Also they will not leave their job for negotiations and waste their time. Intermediaries demand fee, commission for their

labor from buyers and sellers. According to Spulber (1996, p.137), the contribution of intermediaries to economy is significantly high.

Nowadays the development of IT (information technology) makes it so easy to match buyers and sellers that the role of intermediaries is reduced or eliminated according to some views. This view was called as disintermediation term (Bailey and Bakos, 1997, p.8). However, new roles of intermediaries emerge and disintermediation did not still occur. Intermediaries become the source of knowledge that is always new and has never ended (Altınok, et al., 2003). Also they resolve asymmetric information problems, provide immediacy and prevent firms' incentives to misreport the quality of goods and services (Wimmer, et al., 2000, p.408). Today there are some web sites (arabam.com, hurriyetemlak.com, sahibinden.com, emlakjet.com, emlak.net etc) that are interested in matching buyers and sellers in web platform. Information technologies revolution has made online intermediaries common. Brousseau (2002, p.355) reveals why disintermediation does not occur. Arnold and Penard (2007, p.134) remark that online intermediaries expand the reach of sellers, reduce search cost for buyers, identify sellers of product and compare prices. In addition to this classical intermediaries are going on their business. Many of classical intermediaries use these internet sites and some of them use their official sites to inform about their portfolio.

Roles of intermediaries

Giaglis et al., (2002, p.235) divided the roles of intermediaries into three groups that are matching buyers and sellers, facilitating transactions and institutional infrastructures. According to Bailey and Bakos (1997, p.9) the importance of intermediaries come from search costs, lack of privacy, incomplete information, coordination costs, and addressing problems of asset specificity and promoting standardization. Their study mentions about four roles of intermediations (aggregate buyer demand and seller products', protect buyer and sellers from opportunistic behavior of other participants, reducing costs, match buyers and sellers). Bhargava and Choudhary (2004, p.23) classify intermediary services in two categories that are matching services and value-added services. Matching services consist of matching, listing and price discovery that facilitate agreement. These services help establish an agreement between buyer and seller. Value-added services consist of transaction administration, workflow coordination, account management and industry reports. Spulber (1996, p.138) express that financial intermediaries price some financial assets, provide liquidity, allocate risk, allocate financial assets over time and combine assets to reduce transaction costs, supply information and manage transactions.

We can categorize nine roles of intermediaries by using literature about the economic impact of intermediaries in markets- search costs, trust, matching, aggregation, signaling and consultation, price discovery, logistic, settlement, institutional infrastructure-. These nine important roles of intermediaries are handled as below.

1) Search costs

Actors can't provide market information freely. For instance; buyers should visit some stores by spending their time and money (Akalın and Dilek, 2007a; Stigler, 1960). Generally, intermediaries have informational advantage (Anand and Subrahmanyam, 2008, pp.1-2). Visiting only one intermediary who gathers necessary information about market is less costly for consumers than visiting all sellers (Arnold and Penard, 2007, p.135). So, intermediaries help decreasing search and transaction costs (Bailey and Bakos, 1997, p.9; Hagiu and Jullien, 2011, p.337). Search costs don't include only money but also time (Stigler, 1960). Consider about a person who wants to buy a flat. He has two choices, visiting estate agent or visiting all possible flats one by one. If he visits estate agents, they can eliminate some of flats and by this way he will go and see only appropriate flats for his budget and comfort. So, he spends less time and money during search. Yavaş and Yang (1995, p.366) found that for mid price houses as listing price of estate increases the time

the estate stays on the market increases too. However, they could not find significant relationship between time and listing price for low price and high price houses. Crowstone and Wigand (1999) explore that internet, e-commerce facilitate transactions in real estate industry. After development of IT, sellers and buyers can reach many alternatives by just clicking or using several buttons. This means that internet decrease search costs. Arnold and Penard (2007, p.136) mention about empirical studies which remark that buyers who search web sites to learn about prices pay a lower average price than individuals who do not search web sites. Bruno (2004) advert about the effects of digital communication technologies on the process of intermediation. Online intermediation activity performs two main functions which are firstly identifying profitable trade opportunities and secondly helping to determinate the precise terms of trade.

Hagiu and Julien (2011) explore that intermediaries can have a motivation to divert searches to maximize their profits. They mention two incentives of intermediaries. First one is tradeoff between user demand for information service and number of searches per user visit. Second one is incentive to control strategic decisions of sellers.

2) Trust

Buyers or sellers can behave as opportunistic or shortly cheat while they are acting in markets. Wimmer et al., (2000, p.410) claim that because of the asymmetries in market sellers have incentive to misrepresent the quality of good, these misrepresentations can be prevented by middleman. If he gets success other agents will get harm. Intermediaries who have been active on market for a long time can prevent opportunistic behaviors of opposite side. The intermediary may be in a better position to prevent opportunistic behavior compared to buyer and sellers (Bailey and Bakos, 1997, p.10). In many times trust is a key factor for transactions in markets. If actors never worked with each other they would prefer to interact with intermediary because of the trust factor. No one wants to make mistake and get harm, so they choose to interact with intermediaries who have involved in many transactions and have more experiences about transaction failures (Giaglis et al., 2002, p.234; Bailey and Bakos, 1997, p.10). Arnold and Penard (2007, p.137) states that weak bargainers prefer to use intermediary because they want to avoid negotiating with sellers. They cited empirical searches which highlights that buyers, who use online intermediaries, pay averagely 2% less than the buyers who do not use online intermediaries (Arnold and Penard, 2007, p.152). For instance, buyer and seller have not met before and they are not sure about their real goals. In this situation they don't trust each other but they trust estate agents. So, credibility of estate agents is very important in realizing transactions. However, some empirical studies show that agents sell their own estates 3.7% more than their clients' estates and leave their home on market approximately ten days longer (Levitt and Syverson, 2008, p.609). Shortly, estate agents want to sell estates too quickly even at a lower price and for that reason they try to persuade clients for accepting lower offers. Çalışkan and Sarış (2011, p.227) states that estate agents only care about turnover and the usage value of estate is proportional to turnover. They have an incentive to increase turnover even unethical way.

3) Matching

Both sides, I mean, buyers and sellers need to find appropriate partners in transactions. However matching is an important problem in markets. In many times buyers cannot find appropriate sellers and vice versa by their own. Experienced intermediaries can achieve this mission and match both sides (Bailey and Bakos, 1997, p.10; Giaglis et al., 2002, p.235; Rausch and Watson, 2004, p.70; Wimmer, et al., 2000). For instance; men and women, workers and employees, students and universities have difficulty in finding appropriate opposite sides. Gale and Sotomayor (1985), Demange (et al., 1987) studied the situation in which two actors (men and women) who are looking for marriage partner and matchmaker who wants to help them in finding suitable pairing of participants. After

they (buyer and seller) are matched successfully, bargaining process start and the end of this process transaction price occurs. One important stage is negotiation process between buyers and sellers. Both sides prepare their strategies. While they are preparing their pricing strategies, estate agent helps them by his/her advice. At the end money and estate change hands, transaction occurs. Rausch and Watson (2004, p.70) state that deep knowledge can be key factor in being successful in markets and this can be obtained by intermediaries with deep knowledge. Before revolution of IT, state agents listed houses for sale through an agency's listing service. However, today a summary of each house can be viewed in internet. As these lists become public the power of state agents decrease and the reasons for disintermediation process occurs. But, state agents have not only role of matching as it was mentioned before.

4) Aggregation

One important role of an intermediary is aggregation (Bhargava and Choudhary, 2004, p.24). For instance estate agents aggregate many sellers and buyers. As portfolio of them increase they look more attractive to buyers and sellers. This fact can be explained by cross network effects (Bhargava and Choudhary, 2004, p.23) and two-sided markets. Estate agents are considered to be classical example of intermediaries. Also real estate agents are studied by many searches as the example of two sided markets (Rochet and Tirole, 2003, pp.993-994; Dilek, 2012, p.125; Dilek, 2013). Rysman (2009, p.125) defines two-sided markets as one in which two sets of agents interact through an intermediary and decisions of each one affects benefits of other agents. Buyers and sellers of real estate benefit from the number of other group, I mean, different kind of (cross) network effect exist. Buyers will have more utility if estate agent is working with large number of sellers. They will have more alternatives and probably will make more effective choices. They utilized from competition between sellers. On the other hand sellers benefit from the number of buyers (Bhargava and Choudhary, 2004, p.34). Most probably seller will sell his estate with higher prices, better conditions and in shorter time. That's why buyers prefer working with estate agents that have larger seller portfolio.

Pricing decision of state agents are given in somewhat different conditions. In two-sided markets, managers generally do not charge both sides (Dilek and Top, 2013, p.383). State agents make decision by considering price elasticity of demand value. Agents try to enlarge both buyer and seller portfolio however if they charge side (buyer or seller) that has high price elasticity of demand they lose their portfolio (Armstrong and Wright, 2007; Dilek and Top, 2013, p.383). If one side loses his base the other side can't benefit from the portfolio of side that lost base. Because of that reason base of the other side will start to shrink, too. State agents, of course, don't want to face with this scenario and to prevent this occur they generally don't charge side that has high price elasticity of demand. For example; estate agents don't charge buyers but charge sellers in many times.

If there is no one who aggregates demands and products, buyers will negotiate with each seller and sellers will negotiate with each buyer. This means that higher costs for both sides. Shortly, we can say that benefits of aggregation are reducing transaction costs, taking advantage of economies of scale, reducing asymmetries in the bargaining power of customers and suppliers (Bailey and Bakos, 1997, pp.8-9).

5) Signaling and consultation

Intermediaries can also solve information problem of sellers. They need information about existing and future consumer demand so that they plan production and employ factors effectively. Intermediaries, that have enough buyer portfolios, can determine market demand and alert about market dynamics. The reason of their success depends on ability to receive and interpret market signals (Giaglis et al., 2002, p.233) and experiences about market dynamics. According to Odorici and Corrado (2004, p.166) intermediaries help buyers and sellers to formulate judgments and choices, also meet each other in

exchanges. For instance, actor who thinks to buy an estate may wonder about the future prices in market. He wants to use his assets more affectively and therefore he will decide to buy estate if it gains value. So, he needs information or expertise opinion about future price of estates. Estate agents can give advices by using their expectations about prices. Buyers generally wonder which part of city will gain in value, what amount of gain etc. Crowston and Wigand (1999, p.2) state that most buyers and sellers feel the need for assistance with his transactions from a professional when estates are expensive, not frequently sold and difficult to describe. Odorici and Corrado (2004, p.150) specify that some intermediaries express evaluations of products' features and quality, by this way they help consumers on making decisions about their consumption. When there is no enough information about buyers and sellers intermediaries generate information and provide guaranties for good quality (Spulber, 1996, p.136).

6) Price discovery

Having information about market encourages intermediaries to sell or buy items for themselves (Spulber, 1996, p.145; Folkman et al., 2007; Musil and Halloran, 2013). In short run, if market price is different than long run equilibrium prices intermediaries can get profit by arbitrage. Their arbitrage motivations help price discovery in markets. Price discovery is defined as the process of determining the prices at which demand and supply become equal and trade can be done (Giaglis et al., 2002, p.234). Rust and Hall (2003, p.356) states that welfare raise with the entry of intermediary (dealer/broker). Some researches show that intermediaries contribute more to price discovery than their clients (Anand and Subrahmanyam, 2008, p.26). Intermediaries work with many different customers, suppliers in many different industries so they can analyze consumer preferences successfully. Agents utilize this type of information in improving their ability to match customers and suppliers (Bailey and Bakos, 1997, p.11). Pricing decisions especially in real estate market is not easy. There are too many factors effecting prices of real estates. For example; construction year, used materials in construction, location, neighbors etc. This hard mission could be done by only person who has enough information and experience.

In perfect competition markets market equilibrium exists. However in other types of markets firms have market power because of factors such as product differentiation, transportation costs, and barriers to entry, incomplete information. By the help of this power firms can arrange prices however firms can't set prices without costs. Firms need to gather information, monitor prices, perform computations and communicate prices to their customers and suppliers (Spulber, 1996, p.141).

Pricing decisions are important for sellers. Sellers both want to sell their estates with a higher price and in a shortest time. However if listing price is higher the estate stays in market for a longer time (Yavaş and Yang, 1995, p.349). So sellers should choose time or money by considering about selling prices. Estate agents give advices and information to sellers during pricing decision process.

7) Logistic

When buyer and seller contract transfer of goods should be achieved. Giaglis et al., (2002, p.235) states that intermediaries generally play an important role in this process by shipping, distributing, warehousing, booking and subscribing. Transportation, storage, repackage and assemble are parts of intermediation (Spulber, 1996, p.136). Brousseau (2002, p.356) explores logistic matching role of intermediaries when they hold inventories, transports goods and services. Because goods and services have to be stored and moved when plans of buyers and sellers do not match in time and space. However, estate agents do not carry out these functions because of the nature of estates. No one can ship, distribute, transport, store etc. buildings, flats, lands. Therefore this study will not care about these functions of estate agents in our survey.

8) Settlement

Another problem between buyer and seller is payment of trade. After auctions buyers should make payment to sellers. In this process banks and other financial institutions work as intermediary and facilitate transactions (Giaglis et al., 2002, p.234; Doransek and Bansak, 2006) especially in international trade. In real estate market, Mortgages, borrowing from banks, exchanges gain importance to estate agents. Nowadays buyers are generally interested in mortgages, interest rates and borrowing conditions. Therefore they need someone to consult about them. Estate agents facilitate borrowing transactions; give information about interest rates, banks and borrowing transactions to buyer and sellers.

9) Institutional infrastructure

Trade should be realized via some rules, laws, regulations and some other mechanisms. Someone should provide institutional infrastructure of trades. Generally, governments and regulatory institutions specify rules, regulations and provide mechanisms for their enforcement (Mair et al., 2012; Giaglis et al., 2002, p.235) so they work as intermediary between firm and consumer. Other institutions except governments can do this mission as well. Internet leads commercial intermediaries that establishes link between buyer and sellers (Brousseau, 2002). Levine (1999, p.33) claimed that legal and regulatory systems cause development of financial intermediaries and this development cause economic growth. Also governmental institutions can be intermediary between two sides to match, set up relationships (Toole and Bowe, 2012, p.131).

Though many studies discuss benefits of intermediaries for market clearing we can witness other searches opposite of that opinion. Yavaş et al., (2001) set up models and show that intermediaries increases sale price, reduces likelihood of agreement, increases the time to reach agreement.

Real estate market is an important example for intermediaries. Real estate agents advise, give information to sides, create portfolio of buyers and sellers to get maximum amount of commission (Snyder et al., 2011; Musil and Halloran, 2013). Crowston and Wigand (1999, p.2) indicate that real estate is information intensive market in which agents connect buyers to sellers. Agents with information skills are valuable because their mission is to spread information. They do not contribute usage value of estates (Çalışkan and Sarış, 2011, p.227). Shortly they facilitate transactions and agreements in markets (Musil and Halloran, 2013). I chose real estate market because I think that widespread part of society has opinion about the role of estate agents in markets. Research of Çalışkan and Sarış (2011, p.226) confirms that buying, selling or renting real estate by the help of professionals is widespread in Çanakkale. They either consult or buy/sell real estate by facing real estate agents. We witness many studies about estate market in literature (Yavaş and Yang, 1995; Levitt and Syverson, 2008; Musil and Halloran, 2013; Snyder et al., 2011).

Experiences

It is accepted that knowledge is growing in time and is playing important role on economic activities (Arrow, 1962). Rational economic agents, who want to maximize their profits or utilities, care about having and using knowledge (Akalin and Dilek, 2007a; 2007b). In this manner, agents with knowledge make more accurate decisions and have an advantage in realizing their aim. Fudenberg and Tirole (1983) showed that increased learning improves welfare and performance of firms. So, they are very interested in learning and having knowledge. While we look from the window of firms, productivity increases are sourced from production processes and learning by doing (Dasgupta and Stiglitz, 1988).

If firms care about having knowledge first they should have data and information. Data are income (prerequisite) for information and information prerequisite for knowledge.

Data are records which are taken as simple forms and discrete facts about news. Information is evaluated form of data by methods such as directing to goal, categorizing, calculating. Knowledge is elastic combination of experiences with expertise opinions, evaluations, information (Akalin and Dilek, 2007b, p.47). Shortly, data creates information and information creates knowledge. Transformation of information to knowledge is effected by factors such as experiences, ability, culture, character, personality, senses, perceptions, motivations, education and environment (Yumuşak and Aydın, 2005, pp.105-106; Akalin and Dilek, 2007b, p.47). As actors have more information and data they have more knowledge and they give more accurate decisions. One important source of data and information is experiences of actors. Arrow (1962, p.155) remarks that learning is the product of experiences. Shortly, more experienced actors learn more and finally they behave more rationally. So perceptions of experienced actors about facts of life are more important than perceptions of others (less experienced actors).

In real estate market buyers and sellers face with two questions. First will they study with estate agents? Secondly, if they accept working with agents which one will be chosen? This decision is given effectively by more experienced individuals. If individual worked with estate agents, they should possess enough experience and information so that their decisions are more accurate and trustable.

Method

Perceptions direct economic behaviors of agents, so there are many studies about perceptions of agents in literature (Top et al., 2011; Zeithaml, 1988). Our aim is to determine perceptions of young people about the role of estate agents in economic life and examine if perceptions differ according to experiences of agents. Though space of the study is young people I decided to use convenience sampling because of its' cost and possibility. Our study is limited with pupils in faculty of economics and administrative sciences. According to OSYM (2013), the number of undergraduate pupils (not include open education) is 1.237.653.

To reach the aim this research studied on the questionnaire that will be conducted in pupils in Kastamonu University Economics and Administrative Sciences Faculty includes two parts. The survey is conducted between March- May 2014. In first part, the relationship between participant and estate agents, age and gender of participants are asked. Second part includes 25 questions which search about the role and contributions of estate agents to economic efficiency. Questions of second part are prepared by utilizing from previous studies (Giaglis et al., 2002; Dilek, 2014; Bailey and Bakos, 1997). To improve and test the questionnaire, questionnaire is conducted to 40 pupils in Forestry Engineering faculty and also I take opinions of our colleagues. After the results are evaluated and taken critics about questionnaire final form of questionnaire which consists of 25 questions in total is prepared. I want to reveal the perceptions of pupils who are conscious of full competition market and the importance of information in markets. Therefore questionnaire is conducted on Economics department pupils. Kastamonu University Economics and Administrative Sciences Faculty is founded in 2008 and still include three departments (Economics, Business Administration and Management, Public Management). Faculty has 908 pupils in 2013-2014 term. 762 of them answered questionnaire and I elected 108 of them because of unreliable answers. Finally, 654 questionnaires are evaluated and reached 72% of sample. After tests of hypotheses I reached some attractive results.

Analysis and findings

After reliability tests are being applied coefficient of Cronbach Alfa is found as 0,883. So, the survey can be interpreted as highly reliable (Nakip, 2006, p.146). After tests of normality (sig:0,135) it is decided to apply parametric tests. Age and Gender results of

participants are given in Table 1. As it is seen in Table 1, most of participants (60%) are female. Also participants are generally (74%) 19 or 20 years old.

TABLE 1. AGE AND GENDER OF PARTICIPANTS

Age	N	%	Gender	N	%
18 or smaller	99	15	Male	260	40
19	255	39	Female	394	60
20	227	35			
21 or bigger	73	11			
Total	654	100	Total	654	100

Second part of questionnaire is organized to measure perceptions of pupils about estate agents. Do pupils think that estate agents increase economic efficiency, help and facilitate transactions? This part includes 25 questions. Five Likert scale is used in second part.

1: Strictly No

2: No

3: Neither No nor Yes

4: Yes

5: Strictly Yes.

While preparing questions the roles of intermediaries are taken into account such as searching time and cost, trust, matching, aggregation, signaling and consultation, price discovery, settlement and Institutional infrastructure. Table 2 shows questions, means of questions and standard deviation of these questions.

TABLE 2. MEAN AND STANDARD DEVIATION OF QUESTIONS IN SURVEY

	Mean	Standard Deviation
SEARCHING TIME AND COST		
1) They decrease searching time of buyers and tenants	3,35	1,279
2) They decrease searching Money cost of buyers and tenants	2,63	1,083
3) They decrease searching time of landlords and sellers	3,45	1,364
4) They decrease searching Money cost of landlords and sellers	2,82	1,105
5) Landlords, sellers, buyers and tenants consume less time for searching.	3,38	1,397
6) Landlords, sellers, buyers and tenants consume less money for searching.	2,75	1,102
TRUST		
7) They block opportunistic behavior of sides	3,53	1,387
8) They construct trust between buyers and sellers.	3,57	1,403
MATCHING		
9) They help matching of buyers and sellers in market	3,62	1,308
10) They help finding appropriate opposite sides	3,25	1,101
AGGREGATION		
11) Buyers and Tenants benefit from large landlord and sellers portfolio of estate agents	3,05	1,025
12) Landlords and Sellers benefit from large buyer and tenant portfolio of estate agents	2,99	1,017
SIGNALING AND CONSULTATION		
13) They give an important information about market to landlords and sellers	3,35	1,194

TABLE 2. MEAN AND STANDARD DEVIATION OF QUESTIONS IN SURVEY

14) They give an important information about market to buyers and tenants	3,46	1,236
15) They have more information about estate market than other people.	3,52	1,285
16) They can make correct decisions about the future of estate market according to other people	3,07	1,067
PRICE DISCOVERY		
17) They buy real estates for themselves.	2,75	0,984
18) They sell real estates for themselves.	2,98	1,105
19) They buy cheaper real estates and sell them in market prices.	2,87	1,009
20) They effect market prices by selling and buying.	2,90	1,103
SETTLEMENT		
21) They help buyers in borrowing from banks and financial institutions.	3,25	1,156
22) They help exchanges between buyers and sellers.	3,29	1,202
INSTITUTIONAL INFRASTRUCTURE		
23) They advise to both sides about regulations and laws.	2,96	1,140
24) They set up some rules for facilitating transactions.	2,16	0,836
25) They are witness of agreement between buyers and sellers.	3,65	1,125

Mean of sample is 3.144. This mean can be interpreted enough to say that our sample believes positive impact of estate agents to welfare and efficiency of markets. It is seen that questions (question number 2, 4 and 6) which search the contribution of estate agents on searching money costs have average below three but above two. Because of that result it can be said that participants are not sure about the contribution of estate agents on searching money cost. By the help of estate agents buyers and sellers are not travelling and spending money to find appropriate opposite sides however they are paying fee for this help of estate agents. After our sample compare fee and decrease on travelling costs they are not sure which one is bigger. Meanwhile questions about searching time (Question number 1, 3 and 5) are higher than 3. So, our sample believes that estate agents decrease searching time.

Addition to this, questions search about trust factor have averages higher than 3.50. Buyers and sellers avoid doing opportunistic behavior when they met with estate agents. Also they know that other side can't do opportunistic behavior and cheat in the presence of estate agents. So participants agree that interaction with estate agents is more trustable. Another high score is seen in questions 9 and 10 which are about matching role of estate agents. So our sample agrees that estate agents help sides in finding appropriate partners.

If I have a look at results of signaling and consultation factors (Questions 13, 14, 15 and 16) I will see that participants agree that estate agents have an important role on distributing market information. Questions about price discovery (Questions 17, 18, 19 and 20) have scores very close to 3, but they don't reach it. This shows that they are not sure about the contribution of estate agents on price. Because of expensiveness of real estates, agents should have financial power to purchase estates. So, some estate agents can't buy real estate and be active on market. Questions 21 and 22 are higher than 3, so it can be said that estate agents help buyers in borrowing from banks and financial institutions and exchanges between buyers and sellers.

The lowest score belongs to question 24 that investigates if estate agents set up rules for facilitating transactions. Question 25 has the highest average, so widespread of participants think that estate agents become witness between buyer and seller. The lowest score belongs to question 24 with a score of 2.16. It shows that participants think that estate agents obeys rules and laws but don't set up new rules for transactions.

This study also question if experience of agents effect perceptions about intermediaries. Our Hypotheses according to our survey is as below.

H1: There is difference between pupil who sold or bought real estate with the help of estate agent and pupil who did not.

38 of participants sold or bought real estate with the help of estate manager in last year and 207 didn't. I decided to use parametric tests because of normal distribution (Shapiro Wilks, Sig:0.772). Independent Sample T test is applied to reveal if there is difference between means two groups. The pupils who (himself or his family) sold or bought real estate with the help of estate agents believe that estate agents have contribute to the efficiency of markets. Their average is 3.43 when others (who didn't sell or buy real estate by the help of estate agents) have an average of 3.09. As a result of test (sig:0.001, t:3.474) our hypothesis is accepted. People who interact with estate agents are thought to be experienced person. Experience is important in making right consumption (Hoch and Ha, 1986) and production decisions.

H2: There is difference between pupil himself or member of his family worked as estate agents and who didn't.

15 of participants himself or member of his family worked as estate agents while 230 didn't. it is found that distribution is normal (Shapiro Wilks, Sig: 0.803) and we chose parametric tests. Again independent Sample T test is used to study if there are significant differences between two groups. The pupils who himself or member of his family worked as estate agents believe the positive impacts of estate agents to wealth and contributions to efficiency of markets. Their average is 3.66 while other group has only 3.11. As a result of this test (sig:0.00, t:3.952) our hypothesis is accepted. This hypothesis is also strongly related with experience of person.

Conclusion

As a result of this study some important results are revealed. First of all, society - at least university pupils- believe benefit of estate agents to market efficiency and wealth. This result confirms previous theoretical studies about the role of estate agents. Second, market experience effects perceptions about the role and benefit of estate agents. As market experience increases the opinions about the impacts of estate agents become more optimistic. Most of experienced individual are optimistic about contribution of estate agents. This study evaluates the pupils who sold or bought real estate with the assistance of estate agents as more experienced. Also pupil who himself or member of his family worked as estate agents have market experiences. It is found that these two groups have higher average about impacts of estate agents and are more optimistic about them.

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