

VALUE CREATION THROUGH HOME STAGING IN REAL ESTATE MARKET

Lotta Lönnberg

International Business
Bachelor's Thesis
Instructor: Maria Elo
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Author: Lotta Lönnberg Title of thesis: Value Creation through Home Staging in Real Estate Market
Date: 8 April 2019
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Objectives The main objective of this study was to explore home staging as a marketing tool in real estate market in Finland. This study aims to explore and evaluate the effects of home staging.
Summary This study explores home staging as marketing tool. The marketing tool was studied using qualitative unstructured expert interviews. Two realtors and a stylist were interviewed. The effects of home staging were evaluated using consumer interviews. The consumer interviews were formed based on themes that were coded from the expert interviews. Ten consumers were interviewed.
Conclusions Using home staging as a marketing tool is considered competitive advantage in real estate market. Home staging can be seen in high-quality photography and in social media marketing. This study suggests that home staging impact positively on consumer perception. In addition, consumers are willing to visit staged properties
Key words: real estates, home staging, real estate marketing, consumer perception, augmented reality, virtual reality, social media
Language: English
Grade:

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1. INTRODUCTION

1.1. Background

In a company point of view, the current trend in real estate market is to provide high-quality services (www.forbesrealestatecouncil.com). Recently, the trend in residential real estate market in Finland has been renewing the real estate services by providing home staging as a marketing tool (Taipale, 2018). The basis for every successful business is creating and providing unique services (Krohn, 2015). In addition, service differentiation is also considered a competitive advantage in American real estate market where home staging originates from (Meyers & Harmeling, 2011). On the other hand, providing high-quality services and listening to customers' needs are significant for real estate companies in differentiation process (Meyers and Harmeling, 2011). Providing home staging as a part of service, enables service differentiation in real estate market in Finland.

In a consumer point of view, buying a residential property is one of the most important transactions consumers make in their life and it is an emotional buying process (Salzman & Zwinkels, 2017). Therefore, real estate companies can create a competitive advantage by including consumers' needs and preferences in interior design choices (Llinares & Page, 2011). Therefore, interiors of properties should be designed in a way that they stand out from the similar properties in sale (Llinares & Page, 2011). On the other hand, features such as, elegance and personality of the property should be emphasized in the selling process. In addition, emotional attachment is related to consumer behavior, for example housing choice is correlated to image-building and social position (Salzman & Zwinkels, 2017). Also, consumers tend to purchase properties that they perceive to be comfortable and welcoming (Salzman & Zwinkels, 2017). Llinares & Page (2011) suggest that in order to enhance the potential buyer's perception of selling property both designers and real estate marketers should work together in order to create a best possible alternative to consumer point of view. Therefore, by using home staging, real estate companies and professional stagers can create the selling properties either to represent social positions or to feel comfortable and welcoming that can lead to closing deals.

1.2. Research Problem

Previous research on home staging is limited to one study by Lane et al. (2015). Lane et al. researched home staging regarding consumer perception and its impact on price. However, as the study focuses on consumer perception, the purposes of using home staging as a marketing tool are not explored before. Due to which there is a theoretical gap this thesis aims to fill. As home staging is a global trend, this thesis seeks to explore its adaptation to Finnish market. Home staging is studied in respect of both company point of view and consumer point of view.

1.3. Research Questions

The aim of this thesis is to find answers to the following questions:

1. Why and how do real estate agencies use home staging as a marketing tool in the Finnish real estate market?
2. What kind of impact does home staging have in the real estate market?
3. How does the home staging in Finland differ from home staging in United States of America?

1.4. Research Objectives

The research objectives of this thesis are the following:

1. To explore purposes of using home staging as a marketing tool by interviewing Finnish experts from companies that practice home staging.
2. To explore the influence that home staging has by interviewing Finnish experts from companies that practice home staging.
3. To evaluate the influence of home staging by consumer point of view by interviewing consumers.

1.5. Structure of the Thesis

This thesis studies the research problem, questions and objectives in a following order: After introduction, current literature of the topic is reviewed which is followed by proposed conceptual framework. Next, the methodology of this thesis is described. After which,

Findings of expert and consumer interviews are explained and analyzed. The findings of this thesis are discussed regarding current literature and limitations of this study is stated. In the end, conclusions, managerial and theoretical implications and future research is suggested.

2. LITERATURE REVIEW

2.1. Home Staging

Home staging is a marketing tool in real estate market. It is defined as decorating the selling property by using furnishings and decorations in appealing way in order attract more buyers and therefore receiving higher price for the property (Lane et al., 2015 & Home Staging Association UK, n.d). Home Staging Association UK (n.d) also emphasizes the effect of staging that enables potential buyers to imagine themselves living in the selling property as well as marketing tool's goal to sell a lifestyle. Home staging is used as a marketing tool because the visual aspects of a property are crucial to its market value (Poursaeed et al. 2018). Usually, a real estate agent advice about the home staging process (Turnbull & Waller, 2018; Xie, 2018).

2.2. Home Staging and Visual Marketing

Home staging is based on visual marketing. The photographs of properties for sale and social media marketing have a significant role in using home staging as a marketing tool. By using visual marketing as a part of marketing communication, companies can create a visual demonstration of their products (Manic, 2015). On the other hand, Manic (2015) argues that consumers can relate to brands that use visual marketing better because visual content makes brand to easier to access to. In addition, visual marketing is often inspiring which enhances social engagement with consumer (Branthwaite, 2002, Manic, 2015). In other words, the basis for using home staging is in its visual marketing. Visual content, such as photographs, influences consumer perception. On the other hand, by home staging, inspiring visual content can be created which enhances consumer engagement process.

2.3. Home Staging in the United States of America

Home staging as a marketing tool is originally from The United States of America. In United States of America, real estate agents often work with professional stagers or have contacts that they are willing to tell home owners' who intent to sell their property. (Featherstone, 2018). Home staging process is carried out by professional interior designers. Goslett (2016) states that the primary goal of using home staging as a marketing tool is to highlight the primary selling features of the selling property.

Lane et al (2015) state that home staging is using neutral wall colours and high-quality furniture. On the other hand, home stagers in United States recommends removing unnecessary furniture and items in order to show selling properties as spacious as possible and to prevent the possibility that the items are not to the taste of potential buyers (Vitu, 2017; Goslett, 2016). Vitu (2017) adds that a selling property should be shown as perfect as a movie set, yet it should still look lived-in. The staging can be done by using homeowners' furniture or stager can bring the furniture in from their own collections. This is the case especially with empty properties. (Vitu, 2017).

2.4. Why is Home Staging Used as a Marketing Tool?

The interior space of the property and consumer perception of the property have a significant role in buyers' purchase decision (Llinares & Page 2011, Montañana et al. 2015). In addition, staged properties have a positive impact on the perceived liveability and overall impression of the home (Lane et al., 2015). On the hand, vacant properties have a negative impact on perceived liveability and (Turnbull & Zahirovic-Herbert, 2011; Lane et al., 2015). Therefore, home staging has positive effect on consumer perception.

In general, consumers and realtors believe that buyers are willing to pay more for staged properties (Lane et al., 2015). Yet, home staging does not have a significant effect on market value (Lane et al., 2015). On the other hand, time on the market is believed to be shorter due to staging, however, it has not been studied (Lane et al., 2015)

Von Castell et al. (2018) argue that in order to make a room appear as large as possible walls and ceiling should be painted in the brightest possible colour which supports the advice that real estate agents tend to give. Therefore, it is logical that as part of home staging

process, rooms should be painted with bright colours, because they would appear larger (Von Castell et al.,2018).

2.5. Adaptation of Home Staging

Marketing strategies are either adapted or standardized to local markets. Adaptation is defined as a marketing strategy in international business that attempts to adapt and listen to the individual features of the market environment (Yakhlef, 2010). In other words, as managers decide to adopt a marketing strategy, they modify it regarding the market environment. On the contrary, standardization is a strategy that is not modified regarding the market environment (Yakhlef, 2010).

As home staging is a marketing tool that originates from The United States of America, it has either been adapted or standardized to Finnish market. As Krupka et al. (2017) state it is impossible to decide whether to use adaptation or standardization as a marketing strategy. In addition, it has been suggested that companies could accommodate a degree of standardization or adaptation regarding to the marketing environment (Ryans Jr et al., 2003; Virvilaite et al. 2011).

Both adaptation and standardization have their benefits. It has been argued that companies do not need to adapt their marketing strategies to the market environment, instead, marketing strategies should be standardized (Rao-Nicholson and Khan 2015). In addition, standardization as a marketing strategy is more cost effective than adaptation (Ryans Jr et al., 2003; Virvilaite et al., 2011).

Virvilaite et al. emphasize adaptation as an attractive choice especially if a company aspires to differentiate from its competitors. Rao-Nicholson and Khan (2015) stated that some aspects of marketing strategies should be adapted due to cultural differences. Adaptation as marketing strategy should be adopted if the marketing environment is not similar than the original country and especially in the markets which have a large number of competitors and customers (Krupka et al., 2017).

As American market is different than Finnish market, adaptation of home staging seems to be more attractive choice. In addition, Finnish culture is very different from American culture.

On the other hand, real estate market has a large number of competitors which makes adaptation more beneficial choice.

Chai et al. (2004) defines diffusion of an innovation, as a process in which a company becomes aware of an innovation that could fill a gap in the market. After recognizing the idea, it is adapted to local market (Chai et al., 2004). This also supports adaptation of home staging, as it is not any particular product, yet it is process that enhances real estate marketing process.

2.6. Impact of Scandinavian Style on Adaptation

Chai et al. (2004) argue that adaptation is a stage of customizing and revising the process in order it to work in local markets. In addition, cultural differences influence adaptation process (Fang, 2001). Therefore, home staging in Finland is influenced by Scandinavian culture and style. In addition, Löfgren (2013) stated that many processes take on different forms as global trends are adapted and transformed in local settings in Sweden. As Finland is similar country to Sweden, home staging as marketing tool is adapted to Finnish Real estate market.

As Guldberg (2011) described, Scandinavian style is a combination of Danish delicate artistry, Swedish graceful rationality, Finnish sensuous finery, and Norwegian outspoken peasantry. On the other hand, Löfgren (2013) highlights the importance of aesthetics and personal style in Swedish interiors. In Sweden, democracy can be seen in their furniture design, such as furniture retailer Ikea's furniture, whereas Danish furniture design is based on traditions, high-quality materials, Danish superior taste and exclusivity (Edwards, 2007). On the other hand, Scandinavian furniture design is associated with minimalism, multifunctional pieces of furniture, daylight, spaciousness, elements of nature and a mix of textures (Namichev & Shopova, 2018a). Namichev & Shopova (2018b) also associate practicality, simplicity, functionality and uniqueness as features of Scandinavian furniture design. However, Edwards (2007) concludes Scandinavian style as 'home of good design'. As home staging is adapted to Finland and it is based on furnishing apartments, Scandinavian can be seen in staged properties in Finland.

2.7. Social Media and Online Community Communication in Real Estate Market

Felix et al. (2017) state that social media marketing is a fundamental part of the 21st century marketing strategy. In other words, social media provides a significant marketing platform for real estate companies. As home staging is based on visual marketing, home staging emerges from social media content.

Aytekin & Keskin Dermili (2017) state that the real estate market is influenced by social media, and the marketing has started to lean more a consumer-focused approach rather than a product-focused approach. On the other hand, social media has changed the marketing communication from one-way communication to two-way interaction between companies and customers (Aytekin & Keskin Dermirli, 2017). Nowadays, social media provides favorable platforms for real estate companies to communicate with their customers, although it has been considered informal arena for brand communication before (Aytekin & Keskin Dermirli, 2017; Colliander & Marder, 2018). Therefore, it is beneficial for real estate companies to share photographs of their listings that are staged on social media.

In addition, Social media marketing can strengthen the relationships with customers by interaction and sharing content and opinions (Florentino & Casaca, 2011; Çiğdem & Seray, 2017). Manic (2015) adds that nowadays consumers share visual marketing content to each other across social media which creates word of mouth effect. If real estate companies share their content in social media, they can benefit from the word of mouth effect. In other words, consumers are likely to share the inspiring content with their followers. If consumers find staged photographs inspiring, they are likely to share the photographs to their followers. Furthermore, social media can even develop a better understanding of customers and their needs (Florentino & Casaca, 2011). Especially, as home staging is based on interior design, real estate companies can learn about their customers' taste by exploring the content in social media.

Li et al. (2018) define online community as an interactive platform where brands and consumers can communicate with each other. Usage of online communities has a positive effect on sales of large consumer goods, such as properties (Li et al.,2018). Kunz & Hogueve (2011) add that in order to create successful service, companies need to coproduce it with their customers and online communities are novels platforms for coproduction. Therefore,

online communities are novel platforms for real estate companies to develop their services, such as providing home staging, more customer friendly.

2.8. Virtual Technologies in Real Estate Market

Technologies, such as virtual technologies, enables new forms of service delivery and consumer engagement which is an important factor for company's success (Kunz & Hogleve, 2011). In addition, Real estate marketing is affected by virtual applications.

Augmented Reality (AR) is expanding real world with extra information by using digital technology (Ullah et al. 2018; Fisher et al, 2017; De Macedo et al.,2014). Florentino & Casaca (2011) add that AR enables enhancing real life by digital technologies. However, although AR as a concept has been introduced over two decades ago, most of the applications are still limited to simple visualization of virtual objects onto spatially limited scene (Petersen et al., 2015).

Virtual Reality (VR) is making virtual worlds without referring to real world (Ullah et al. 2018). On the other hand, Fisher et al. (2017) state that VR enables users to view and experience real or fictional objects and places as if they were actually present.

2.8.1. Effects on Real Estate Market

In real estate market, use of virtual technologies enables providing videos and panoramic images of selling properties to potential buyers (Fisher et al., 2017) This supports providing high-quality service. Usage of virtual technologies enables customizing digitally the properties, such as adding decorations and furniture (Fisher et al., 2017). In other words, real estate companies can add furniture virtually to the properties they are selling. This is especially beneficial for companies who use home staging because the marketing tool is based on interior design.

Using virtual technologies as a part of the marketing strategy is beneficial in real estate market. Virtual technologies are time and cost-saving for both seller and buyer in real estate market (Ullah et al., 2018; Fisher et al., 2017). Also, virtual technologies enable companies to expand their real estate business to an international level due to technologies ability to

show the selling properties in a realistic way. Consumers can view the properties in realistic way with a help of virtual technologies, although they actually cannot visit them.

On the other hand, use of virtual technologies helps the decision-making process because data from multiple resources can be shown in one visual information and those can narrow the interest pool for buyers (Ullah et al.; Fisher et al.; De Macedo et al., 2014). In addition, with AR helps consumers to perceive vacant properties because they can be decorated virtually (Florentino & Casaca, 2011). In other word, virtual technologies influence decision making process and consumer perception.

However, De Macedo et al. (2014) argue that despite the all the benefits of using virtual technologies, real estate agencies should not consider virtual technologies as competitive advantage. On the other hand, virtual technologies should be considered an added resource to marketing strategy. However, VR has more applications in real estate market than AR (Fisher et al., 2017).

2.9. Using Photographs in Real Estate Market

In general, photographs are an effective way to sell properties and visual stimulation is used effectively in real estate market (Blake & Sadovsky, 2002) In addition, the photographs of the selling properties are a crucial part of real estate marketing, because photographs are usually the first thing consumers perceive (www.skvl.fi). Home staging as a marketing tool emerges from high-quality photographs.

Photographs in real estate marketing are beneficial for real estate companies because photographs are more effective way to describe properties than using verbal content (You et al., 2017). Photographs provide an overall view of a property that is easier to perceive than verbal content (You et al., 2017). In addition, Manic (2015) emphasizes the convenience of the photographs because consumers can process visual content faster than written content. Branthwaite (2002) states that using imagery as a part of marketing communication tends to be more objective than verbal communication because it is about consumers experiencing and perceiving the communication directly. Whereas, by using verbal marketing communication consumers often tend to question the motive and interest of the writer of the text (Branthwaite, 2002). In addition, as Carrillo (2008) stated that

photographs can give relevant information and additional knowledge about properties for potential buyers. Carrillo (2008) also suggests that photographs have an increasing effect on transaction price and decreasing effect on time on the market. Therefore, real estate companies should use photographs as a part of their marketing strategy. In addition, Vitu (2017) states that home staging has a positive effect on the photographs which enhances consumer perception process.

2.10. Conceptual Framework

The conceptual framework (figure 1) shown below pursues to show relationships between constructs explored and discussed in the literature review. Home staging is originally from USA. As argued above, home staging has been adapted into Finnish real estate market. Scandinavian style has impacted home staging adaptation as cultural differences influence adaptation process (Fang, 2001). As argued, benefits of social media marketing, virtual technologies as well as high-quality photographs impacts real estate marketing. Despite influencing real estate market, social media, virtual technologies and photographs are the constructs in which consumers can perceive home staging. On the other hand, Home staging influence consumer perception (Lane et al.,2015).

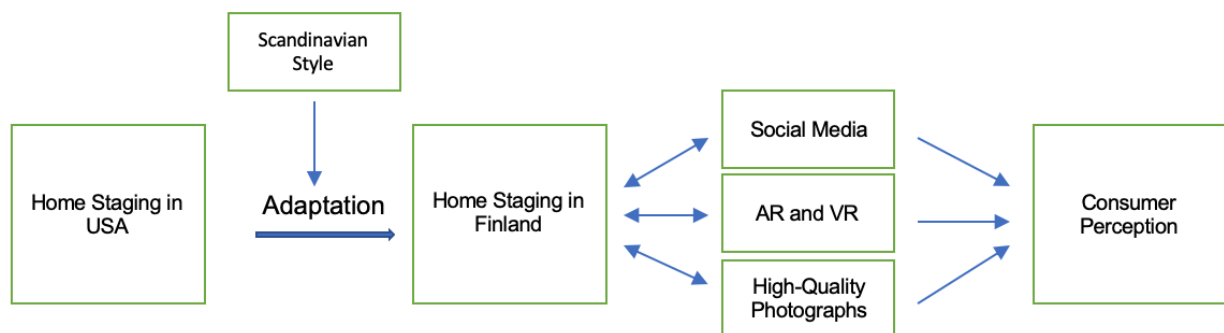


Figure 1. Theoretical Framework. Lönnberg, 2019

3. METHODOLOGY

3.1. Research Approach

3.1.1. First Part of The Research Approach

In order to explain why and how real estate agencies use home staging as a marketing tool in the Finnish real estate market, an exploratory study was selected for a suitable research method. Exploratory studies explain what is happening, are helpful, gain insights and help to understand phenomena (Saunders et al., 2015). In addition, the previous research on home staging is limited which is why an exploratory study serves the purposes of this study. Case studies provide in depth and intensive research of a phenomenon in real life context (Saunders et al., 2015). As this study seeks to explain why and how real estate agencies use home staging, a case study was adopted as a method.

3.1.2. Second Part of The Research Approach

In order to test the effect of home staging and high-quality photography from consumer perspective, ten participants were interviewed. An evaluative study tests how well something works (Saunders et al., 2015). As one of the objectives is to test effects of home staging, an evaluative study serves purposes of this study.

3.2. Data Collection

3.2.1. First Part of The Methodology

Purposive sampling was adopted as a sampling method. In purposive sampling, participants are selected by their qualities that enable answering research questions in an efficient way (Saunders et al., 2015). The case company was selected due to its desirable characteristics. The selection criteria for the company, was a professional use of home staging as a marketing tool. The case company was contacted through personal connections. Other interviewee from the case company were contacted by using snowball sampling. Snowball sampling were adopted because respondents are likely to have desired characteristics (Saunders et al., 2015). Table 1 displays the case company:

Case company	Bo Lkv
Founding year	2015
Number of offices	10
Number of Employees	Approximately 150
Realtor 1	Worked 13 years as a realtor
Realtor 2	Worked 5 years as a realtor
Stylist	A professional designer

Table 1. Case Company

A realtor (Realtor 1) and a stylist from Lahti and a realtor (Realtor 2) Helsinki were interviewed. Interviews were semi-structured because broadly formulated and open-ended interview questions enable participant responsiveness and to maximise elaboration on individual experiences (Klamer et al., 2018). Semi-structured interview is also suitable due to exploratory nature of this study (Sauders et al., 2016). The interviews were located in real estate agency's offices in Lahti and Helsinki. The respondents were interviewed in Finnish. Both of the interviews lasted approximately 30 minutes and were recorded digitally and transcribed afterwards into 16 pages.

3.2.2. Second part of the methodology

Purposive sampling was adopted as a sampling method. The selection criteria for participants were that they have bought an apartment in past few years or are intending to buy an apartment. The participants were contacted through personal connections. Two of the participants did not fulfil the selection criteria. However, both of them are interested in real estate market. Table 1 displays the respondents:

Respondent	Age	Gender	Nationality	Occupation	Hometown	Status
1	50	F	Finnish	Team Leader/ Master of Political Science	Helsinki	Bought an apartment in 2016

2	50	M	Finnish	Senior Software Engineer/Master of Science in Technology	Helsinki	Bought an apartment in 2016
3	21	F	Finnish	Graphic Design Student	Helsinki	Does not own a property nor is looking for a property, however, does actively browse apartments
4	20	F	Finnish	International Business Student	Mikkeli	Does not own a property nor is looking for a property, however, does actively browse apartments for her parents
5	20	M	Finnish	International Business Student	Helsinki	Is planning to buy an apartment in 2019
6	23	F	Finnish	International Business Student	Mikkeli	Her significant other bought an apartment in 2018, did actively help with the process
7	21	M	Finnish	International Business Student	Mikkeli	Is planning to buy an apartment in 2019
8	76	F	Finnish	Retired, Master of Laws	Turku	Bought an investment apartment in 2017, owns 5 apartments in total
9	51	F	Finnish	Master of Science in Technology, Development Manager	Espoo	Bought an apartment in 2017
10	52	F	Finnish	Project Manager, Bachelor of Social Services	Helsinki	Bought an apartment in 2014

Table 2. Respondent profiles

Sharma (2014) stated that qualitative approach is beneficial in a context of purchase decision making in real estate market due to purchasing a property is a complicated and decision making requires particularly high consumer involvement. Due to which, qualitative interviews were chosen to a suitable instrument for the purposes of this study. The interviews were structured due to the evaluative nature of this study (Saunders et al., 2015) The questions of the qualitative interview were formulated regarding the two expert interviews. The Interviews were conducted in Finnish. The interviews lasted for 10-15 minutes. They were recorded digitally and transcribed afterwards into 30 pages.

3.3. Data-analysis

Inductive analysis is a process of coding data without using an already existing coding frame (Braun & Clark, 2006). As previous research of home staging is limited, there are not existing frameworks. In addition, as the nature of this study is exploratory, inductive approach was adopted to a suitable approach. In inductive approach, themes will be derived from the data (Saunders et al. 2015). On the other hand, thematic approach aims to find relationships between data and its intention is to search and recognize meanings (Saunders et al. 2015). Thematic analysis was chosen to a suitable data analyzing method because is not tied to any theoretical frameworks (Braun & Clark, 2006). Inductive approach and thematic analysis were used with both of the data sets.

Thematic coding process was done by following Braun & Clark's guidelines for thematic analysis (2006). Transcripts were read before the coding process. Due to the relatively small number of pages of the transcripts, manual coding was selected to a coding method. In the searching of themes phase, initial codes were produced and translated by the researcher. After which themes were reviewed relation to the whole data set. Finally, themes were defined and named.

4. FINDINGS AND ANALYSIS

4.1. The Expert Interviews

4.1.1. What is home staging?

The experts described home staging as a comprehensive process where a stylist and a photographer carefully consider what are the best selling features of the property and also intend to emphasize them in selling photographs. On the other hand, home staging emphasizes the visuality of the apartment which is considered competitive advantage:

Realtor 1: 'Our company lead the way in visual side [in real estate marketing in Finland]'

In addition, the experts highlighted, that home staging is not a new marketing tool, however, nowadays consumers consider it valuable:

Realtor 2: 'Home staging is not a new phenomenon. However, it has not been predominant trend that everybody considers important'

On the other hand, the experts considered home staging to be a competitive advantage, because properties that are staged stand out from the mass. The experts highlighted that home staging is a part of the commission in their company.

4.1.2. Origins of Home Staging

The experts were not able to tell where has the original inspiration for doing home staging come from. The company was founded by a marketing professional, a graphic designer, a decorator and a realtor. The founders of the company were looking for a real estate agency to sell their property, yet they could not find a suitable company for their needs. They decided to establish a company that highlight the visual side of selling apartments, like no other company in Finland:

Realtor 2: 'Our company is the only one [in Finland] who makes so called value innovation in this business. Our company represents innovation and something new'

The experts highlighted the founders' interest towards visuality and design, yet they could not draw a clear link to global trends. However, both of the realtors mentioned that global trends influence the real estate market in Finland:

Realtor 1: 'I don't know if home staging has come from abroad--Finland comes behind in international trends'

Realtor 2: 'We are global when it comes to trends'

4.1.3. Home Staging Process

The experts told that in vacant properties, the stylist brings in the furniture, because the company does not sell vacant properties. The furniture is kept in the property as long the property is sold. On the other hand, in apartments that are not vacant, a stylist decorates the apartments for selling photographs. After decorating, photographer and stylist think together how to photograph the property in way that shows it best features in different medias, such as in the internet or on the social media platforms. In addition, the experts emphasized that they do not renovate properties.

4.1.4. Bo Style

The experts mentioned that every property that the company sells is staged by using the same concept, Bo style. The concept was described as Scandinavian, simple, harmonious and minimalistic. The emphasis is on Finnish design due to the company's partners. In order to keep the properties individualistic, stylists intend to use seller's own furniture and decorations:

The stylist: 'We intend to use customers' own furniture and decorations because we do not want our listings to look too similar. We intend to keep our listings diverse'

4.1.5. Social Media

The experts claimed that social media is a part of realtor's marketing communication and a powerful way to reach the consumer base:

Realtor 1: 'Consumers notice that we are on social media. Usage of social media is professional and regular, which is a competitive advantage'

Realtor 2: 'It is communication. It is beneficial to have your own followers in Facebook and Instagram for every realtor'

As more and more people use social media nowadays, why would not properties be marketed on social media:

Realtor 2: 'People consume a lot more photographs nowadays. In the large trend, people share their experiences all the time. Our approach is that anybody can share photographs of our properties and admire them [in social media]'

The company has also a sneak peek -concept which object is to share the best photographs and draw a potential buyer's attention. Some of the properties are sold before the open houses are arranged due to social media.

4.1.6. Effects of Home Staging

4.1.6.1. Consumer Perception

Consumers are claimed to be more attracted to staged properties than properties that are not staged. A large number of people are interested in company's properties which can be seen in increasing number of contacting consumers. Staged properties are claimed to stand out from other properties in the market. Also, more consumers come to open houses:

Realtor 1: 'I don't know is it because of the home staging or the photographs. However, if begin to sell a property that other company has tried to sell before, the number of visitors has doubled or tripled'

The experts claimed that staged properties evoke consumers' feelings. Positive feelings about selling photographs, for example, influence on willingness to visit selling property and purchase decisions. Therefore, value creation happens through home staging:

Realtor 1: Buyers' feelings are the psychological aspect that affect buying decision and the demand of properties.

Realtor 2: 'We do not sell vacant properties. Furniture help to perceive a property and evoke feelings about the property'

Stylist: 'Potential buyers can visit properties a couple of times. Yet, they can return to watch high-quality photographs over and over again before making the buying decision. It is important to invest in the photographs due to the fact.

Realtor 2: 'We have expanded from square meters and functionality to value creation. Consumer consider a property to be significant. They are willing to buy the property

because it evokes their feelings. Buying decisions are always made with feelings and rationalized with common sense'

4.1.6.2. Time on the Market and Price

One effect of home staging is claimed to be decreased time on the market. In other words, staged properties are sold faster than properties that are not staged:

Realtor 1: 'Our average selling time is 32 days at the moment. Generally, the average selling time is three months [in Lahti region]'

According to the experts, a direct effect of price cannot be drawn. Therefore, it cannot be said that staged properties are sold with higher prices. However, participants highlighted that selling prices are rarely reduced. Yet, the connection between price and home staging cannot be drawn without further research.

4.2. The Consumer Interviews

4.2.1. What Mediums Respondents use for Searching Apartments?

The Majority of the respondents search properties from internet and use Finnish websites for real estate marketing, Etuovi and Oikotie. Also, one of the respondents intends to buy apartment from an auction.

The Majority of the respondents do not use social media for searching properties. However, four of the respondents use social media in some form:

Respondent 3: 'I follow Facebook groups and Bo Lkv's Instagram account, but I do not follow in order to find an apartment'

Respondent 6: 'I followed a couple of realtors in Mikkeli that share their listings on Facebook'

Respondent 7: 'If I see adverts on Instagram, I might look at them'

Although, the expert interviews highlighted the importance of using social media, the participants of this study do not use social media significantly to search apartments.

4.2.2. Buying a Property Without Visiting It

The Majority of the respondents would not buy a property without visiting it. Photographs are considered to differ from reality. Therefore, respondents prefer to visit the apartment by themselves. However, photographs influence respondents' willingness to visit the apartment:

Respondent 1: 'Photographs usually differ from reality. Apartments can look bigger in the photographs'

Respondent 2: '--photographs does not tell the truth, yet they can impact my decision to visit the property'

On the other hand, buying a property for living purposes is considered an important decision. Therefore, respondents are willing to visit apartments before buying them. Buying an apartment is also considered emotional process. However, photographs are not enough cause a purchase:

Respondent 3: 'Buying a property is a big decision to me, therefore I would like to visit the apartment'

Respondent 6: 'No, I would not buy apartment without seeing it, not for a living purpose at least'

Respondent 7: 'I know people that buy properties without seeing them. However, personally, buying an apartment is an emotional process. Therefore, I want to visit the apartment beforehand'

Respondent 10: 'Most important feature of the apartment is feeling what appeals when you go to the apartment therefore, I would like to visit it first'

On the other hand, some of the respondents would buy an apartment without seeing it. However, these are considered special cases, such as brand-new buildings, investment apartments and auctions:

Respondent 5: 'Yes, if there was a good deal in auction'

Respondent 8: 'I have purchased an investment apartment without seeing it, however, my daughter in law and grandchild visited the apartment beforehand due to logistical reasons'

Respondent 9: 'I bought an apartment without seeing it because it was under construction. However, I would not buy an apartment without seeing it if there was a possibility to see it'

In conclusion, participants are willing to visit properties before buying them. However, the importance of selling photographs were emphasized, as participants mentioned that photographs can cause visits. On the other hand, as the experts emphasized, this study suggests that buying an apartment is an emotional process.

4.2.3. Consumer Perception

4.2.3.1. Photographs 1 and 2

In general, photograph 1 evoked negative feelings:

Respondent 1 about photograph 1: 'Too dark yet looks like new and tidy. There is too much stuff on the counters'

Respondent 10 about photograph 1: 'I do not like the colours. Stuffy. Many different styles. Messy. I do not like this at all. I do not like the interior'

On the other hand, the respondents reacted more positively about photograph 2 which is staged:

Respondent 2 about photograph 2: 'Nice and modern. I like the interior. There are no signs of living. It does not look like home'

Respondent 6 about photograph 2: 'This photo pleases my eye'

Respondent 9 about photograph 2: 'Harmonious, modern, peaceful, stylish, very nice'

Every respondent would like to visit photo 2. Table 1 shows reasons:

Photo 2
Natural light in the kitchen
Stylish interior
No need for renovation

Table 3. Reasons to visit photograph 2

In conclusion, photograph 2 evoked more positive feelings than photograph 1. In addition, the participants were willing to visit photograph 2 due to its interior and good condition.

4.2.3.2. Photographs 3 and 4

In general, photographs 3 and 4, which is staged, evoked both positive and negative feelings:

Respondent 2 about photograph 3: 'Looks someone's home. Not good, not bad. There seem to be a lot of natural light and the room seems to be spacious'

Respondent 5 about photograph 3: 'I do not like the interior, there is no clear theme in the interior'

Respondent 6 about photograph 4: 'The interior is carefully considered. I love the plants and there is a lot of natural light. I could live there'

Respondent 9 about photograph 4: 'Modern, stylish, staged yet clinical. This is stylish to watch yet not very cosy'

Respondent 10 about photograph 4: 'I could move my own furniture her--The best photograph so far, this evokes good feelings'

Although the comparison between photographs 3 and 4 were more even than the comparison between photographs 1 and 2, nine of the respondents were willing to visit photograph 4. However, four of the respondents expressed their willingness to visit both of the photographs. Table 4 shows the reasons with which the respondents validated their choice to visit photographs:

Photo 3	Photo 4
Natural light in the room	Scandinavian and harmonious interior

Cosy interior	Visual photographs
View from the window	No need for renovation
	Seem to be a new apartment

Table 4. Reasons to visit photographs 3 and 4

In conclusion, although both of the photographs evoked both negative and positive feelings, the majority of the respondents were willing to visit staged photograph.

4.2.3.3. Photographs 5 and 6

In general, photograph 5, which is staged, evoked both negative and positive feelings:

Respondent 7 about photograph 5: 'Very nice bedroom, cushions match the floor material--Technically, this is a very good photo and also cosy looking room'

Respondent 10 about photograph 5: 'The wall and the window are two major elements. This is confusing--By changing the wallpaper this could be okay'

On the other hand, photograph 6 evoked mostly negative feelings:

Respondent 6 about photograph 6: 'Messy appearance --the interior is not my style'

Respondent 8: 'This does not please my eye--the floor should be painted'

In general, photograph 5 evoked more positive feelings than photograph 6. In addition, the majority of the respondents, eight of them, chose to visit photograph 5. The rest of the respondents would visit photograph 6. Table 5 shows reasons with which the respondents validated their choices:

Photo 5	Photo 6
Interior	Hardwood floors
Good condition	Potential for renovation

Table 5. Reasons to visit photographs 5 and 6.

4.2.3.4. Conclusion

In conclusion, the staged photographs evoked more positive feelings than the photographs that are not staged. The respondents pointed out more positive features in staged photographs, such good condition and interior. In addition, the majority of the respondents chose to visit staged photograph. In conclusion, as the experts claimed staging evoke positive feelings and therefore has a positive impact on consumer perception.

4.2.4. What Photograph Caught Respondent’s Attention?

The experts highlighted that home staging cause apartment to stand out from the mass. Respondent were asked to choose a photograph that caught their eye:

Respondent	Favourite Photographs	Reason for choosing photograph
1	Photo 2	The interior was similar to my own style.
2	Photo 6	I liked the hardwood floor
3	Photo 4	It was so visual, and I liked the style of the interior
4	Photo 4	I liked the style of the interior
5	Photo 2	I liked the kitchen and its domestic appliances
6	Photos 2 & 5	I liked the white kitchen cabinets and mustard yellow was a lively colour
7	Photos 2 & 5	As a consumer, staged conditions and high-quality photography, makes me feel that I am valued as a potential buyer
8	Photos 4 & 5	Both of the photographs were beautiful
9	Photo 2	The kitchen was very nice
10	Photo 4	The living room it was the most stylish

Table 6. Favourite photographs

In conclusion, all of the respondents, despite respondent 2, chose staged photographs (photographs 2, 4, 5). The Majority of the respondents validated their choice with staging conditions, such as interior design features. Home staging, as the experts claimed, makes photographs stand out from the mass and the marketing tool also has a positive impact on consumer perception.

4.2.5. Willingness to Renovate and Its Influence

The Respondents were asked about their willingness to renovate a property. According to their responses, they were divided into 5 different categories. Table 7 shows the categories:

Respondent	Category
Respondents 1, 4 & 9	Renovation is not an option
Respondent 2 & 3	Open for minor renovation activities
Respondent 6	Open for a kitchen renovation
Respondent 8 & 10	the whole property is an option
Respondent 5 & 7	Looking for a place that needs a renovation

Table 7. Respondents' willingness to renovate.

4.2.5.1. Respondents Who Do Not Consider Renovation an Option

In general, the respondents who were not willing to renovate paid mostly attention to interior design of the photographs. Although the respondent 1 stated that she is not willing to renovate an apartment, she saw potential for renovation in photograph 6. However, the respondent chose to visit photograph 5:

Respondent 1 about photograph 6: 'Dirtiness catches my eye. This is clearly from old apartment. Hardwood floor catches my eye. Potential for renovation'

Respondents	Photographs they want to visit	Favourite Photographs
1	2, 3, 4 & 5	2
4	2, 4 & 5	4
9	2, 3, 4 & 5	2

Table 8. Photographs respondents chose.

Table 5 shows photographs that the respondent chose. All of the respondents chose to visit the staged photographs. However, respondents 1 and 9 expressed willingness to visit both photographs 3 and 4:

Respondent 9: 'Hard to choose. Photo 4 is stylish and attractive. On the other hand, photo 3 is cosier. I would have to visit both'

4.2.5.2. Respondents Who Are Open to Minor Renovation Activities

Respondent 2 paid extra attention towards conditions of the floors in photos:

Respondent 2 about photograph 6: 'Looks old and battered. Hardwood floor might be in good condition--Hardwood floor attracts me'

Respondent 3 mainly commented on interior design of the photos and did not paid particular attention to condition of the apartments nor possibilities to renovating them.

Respondents	Photographs they want to visit	Favourite Photographs
Respondent 2	2, 3, 4 & 6	6
Respondent 3	2, 4 & 6	4

Table 9. Photographs respondents chose.

Table 9 shows respondents' favourite photographs and photographs they are willing to visit. The respondent 3 chose only staged photographs whereas the respondent 2 chose also photographs that are not staged.

4.2.5.3. Respondents Who Are Open to Kitchen Renovation

The respondent paid particular attention to the condition of domestic appliances in the photographs 1:

Respondent 6 about photograph 1: 'Not too old apartment. Domestic appliances seem to be in good condition. Too dark in my point of view'

Despite the possibility to a renovate kitchen, the respondent chose to visit photograph 2. Table 10 shows that despite willing to visit photograph 3, the respondent chose mostly staged photographs.

Respondents	Photographs they want to visit	Favourite Photographs
Respondent 6	2, 3, 4 & 5	2 & 5

Table 10. Photographs respondents chose.

4.2.5.4. Respondents Who Consider Renovation an Option

Both of the respondents paid particular attention to possibilities to renovate:

Respondent 8 about photograph 2: 'I could buy an apartment with this a similar kitchen. The other kitchen should be renovated'

Respondent 10 about photograph 1: 'I would choose photograph 1, if the whole apartment was interesting. The kitchen could be renovated'

Although the respondents were open to renovate a property, they only chose photos that are staged, as table 11 shows:

Respondents	Photographs they want to visit	Favourite Photographs
Respondent 8	2, 4 & 5	4 & 5
Respondent 10	2, 4 & 5	4

Table 11. Photographs respondents chose.

4.3.5.5. Respondents Who Are Willing to Renovate

Respondent 5 saw potential for renovations in the photographs:

Respondent 5 about photograph 6: 'This could be renovated to be nice. The floor could be painted'

On the other hand, respondent 5 chose only staged photographs. However, he validated his choices by saying:

Respondent 5 about photographs 2 and 4: 'I would visit this, especially, if was not going to renovate'

Respondent 7 did not pay any special attention to possibilities for renovation. However, he chose to visit photograph 3 which is not staged. Table 12 shows the respondents choices:

Respondents	Photographs they want to visit	Favourite Photographs
Respondent 5	2, 4 & 5	2
Respondent 7	2, 3 & 5	2 & 5

Table 12. Photographs respondents choose.

4.3.5.6. Conclusion

In general, the majority of the respondents chose staged photographs. The willingness to renovate a property did not significantly affect their choices. However, the willingness had an impact on consumer perception and things the respondents pointed out.

4.2.6. Other Features

The respondents expressed that other features than just photographs impact their decision to visit an apartment:

Respondent 7 about photographs 1 and 2: 'I would have to know the prices. Even if photographs were nice, I would visit other property if the price were cheaper'

Respondent 9 about photographs 3 and 4: 'A difficult question, the other features [than selling photographs] of the apartment would influence my decisions'

Respondent 10 about photograph 3: 'I could visit the apartment if its other features were desirable'

The respondents also identified important features they pay attention to when are searching apartments:

Features

Location and Price
Size of the property and the number of rooms
Usage of space and functional floor plan
Condition and age of the property
Not any big renovations coming in the future
High room height and spacious rooms
Large windows and a lot of natural light
Overall feeling of the property
Sauna

Table 13. Important features.

Overall, the respondents paid attention to interior design, overall condition, materials, such as material of the floor, and natural light in the photographs. They also validated their choices to visit properties with similar reasoning. The respondents pointed out similar things from the photographs that they have named important to them, such as spacious rooms and natural light. On the other hand, none of the respondents named interior design as an important feature, yet they paid a lot of attention to interiors in general. However, one of the questions was about the interior which might have affected the responses.

4.2.7. Respondents' Attitudes towards Home Staging Activities

Every respondent paid some kind of attention to home staging activities, such as interior design and the quality of the photographs, although respondents were not asked to draw attention to home staging activities. Following themes were coded.

4.2.7.1. Home Staging

Some of the respondents noticed that photographs 2, 4 and 6 are staged. Some of the respondents did not consider home staging to be a positive marketing tool:

Respondent 2 about photo 4: 'This is staged -- I don't know if it's a good or bad thing. The interior is stylish, yet I don't if it is nice in real life'

On the other hand, respondent 7 had very positive views of home staging:

Respondent 7 about photo 5: 'As a consumer, staged conditions and high-quality photography, make me feel that I am valued as a potential buyer'

In conclusion, respondents paid attention to home staging activities. The activities evoked both negative and positive feelings. Generally, the feelings tended to be positive. However, respondents pointed out that selling photographs are not only reason to visit a property.

4.2.7.2. Interior and Furniture

Some of the respondents paid extra attention towards interior design and furniture choices. Although, staged photographs evoked positive feelings in general, some of the respondents were critical, because the interiors can be re-designed:

Respondent 1 about photos 3 and 4: 'I would visit both of the apartments. The Interior of the photo 4 is more attractive, however the interior of the photo 3 can be re-designed'

Respondent 9 about photos 3 and 4: 'I would visit both of the apartments. The furniture in the photographs are elements that will go away anyway'

4.2.7.3. Quality of photographs

Respondents also paid attention to quality of photographs. Generally, high-quality photographs (photos 2, 4 & 5) evoked positive feelings and the respondent chose to visit in those apartments whereas low-quality photographs (photos 1,3 & 6) evoked negative feelings. However, despite the high-quality of the photographs, some of the respondents were critical:

Respondent 10 about photo 6: 'This photograph would not affect my decision to visit this apartment in anyway. However, if the apartment was okay as a whole, I would visit it'

Respondent 2 about photos 5 and 6: 'Photograph 5 is better as a photograph, yet I like the hardwood floor of photo 6. I would visit photo 6 due the hardwood floor. However, it [the property] might be in a very bad condition'

On the other hand, some of the respondents paid significant attention to technical aspects of photographs. Technical aspect evoked both negative and positive feelings:

Respondent 4 about photo 1: 'I do not like the photo at all due to the angle of view and because it is not taken in natural light'

Respondent 7 about photo 5: 'Technically, this is a very good photo and also very cosy room'

4.3. Updated Conceptual Framework

The expert interviews highlighted that home staging can be seen in use of social media and high-quality photographs. The experts emphasized that home staging influence consumer perception. In other words, consumers are willing to visit staged properties and high-quality photographs evoke positive feelings. These statements were evaluated by consumer interviews. The findings of the consumer interviews suggest that consumers are willing to visit staged properties. On the other hand, high-quality photographs evoke more positive feelings, as the experts stated. Figure 2 shows updated conceptual framework:

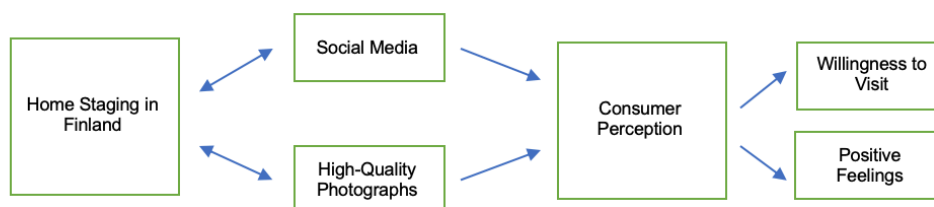


Figure 2. Updated Conceptual Framework. Lönnberg, 2019

5. DISCUSSION

The aim of this thesis is to answer following questions:

1. Why and how do real estate agencies use home staging as a marketing tool in the Finnish real estate market?
2. What kind of effect does home staging have?
3. How does the home staging done by Finnish companies differ from home staging in United States of America?

5.1. Why and how do real estate agencies use home staging as a marketing tool in the Finnish real estate market?

Service differentiation is a competitive advantage in real estate market (Meyers & Harmeling, 2011). In other words, companies need to differentiate their services in order to compete in the real estate market. In addition, innovations, such as service innovations, are adopted to local markets, when there is a gap in the market (Cha et al., 2004). According to the expert interviews, the company has adopted using home staging in their business because a suitable company for founders' needs did not exist. In other words, use of home staging is adopted in order to differentiate and fill in the gap in real estate market.

It has been argued that the primary objective of home staging is to enhance the overall appearance of properties which attracts potential buyers (www.skvl.fi). The expert interviews support this statement. In other words, home staging is used as a marketing tool because it both enhances the overall appearance of properties and attracts consumers. The use of home staging can be seen in social media, virtual technologies and high-quality photographs.

5.1.1. Social media

It has been argued that social media provides favourable platforms for real estate companies to communicate with their customers (Aytekin & Keskin Dermirli, 2017; Colliander & Marder,

2018). The expert interviews also emphasized that social media has a significant role in their work in real estate market. They argued that use of social media is a competitive advantage for their company and an effective way to communicate with their customers. On the other hand, use of social media can strengthen relationships with customers by interaction and sharing content and opinions (Florentino & Casaca, 2011; Çiğdem & Seray, 2017). The expert supported the statement. They emphasized that on social media, consumers share their experiences all the time, their approach is that everybody can share their high-quality photographs which creates word of mouth effect. Despite the claimed benefits of using social media, the findings of the consumer interviews did not show significant evidence for using social media in apartment searching process.

5.1.2. Virtual Technologies and Home Staging

It has been argued that use of technologies, such as virtual technologies, enables new forms of service delivery (Kunz & Hogleve, 2011). Use of virtual technologies enables customizing digitally the properties, such as furnishing a vacant property (Fisher et al., 2017). Despite the possibilities using virtual technologies provide for home staging, use of augmented reality did not emerge from the expert interviews. However, the case company has recently announced that they have adopted using AR technologies by expanding their services to virtual furnishing (www.bo.fi). It has been argued that virtual furnishing creates value by helping consumers to perceive vacant apartment that are virtually furnished better (www.bo.fi).

5.1.3. High-Quality Photography

Photographs has a significant role in real estate marketing (www.skvl.fi). Photographs provide an overall view of property that is for sale that is pleasant to perceive for consumers (You et al., 2017). In addition, photographs are convenient way to market properties due to consumers' ability to process visual content faster than written content. The expert interviews emphasized the role of high-quality photographs in the home staging process. Photographs can be shared in different medias as a part of communication. Also, the consumer interviews support using a high-quality photography. In this study, high-quality photographs evoked more positive feelings than low-quality photographs. In addition, some

of the respondents were even annoyed by low-quality photographs. However, consumers expressed that photographs are not the only reason they decide to visit a property.

5.2. What kind of effect does home staging have?

5.2.1. Consumer perception

Lane et al. 2015, state that home staging has a strong positive impact on overall impression of the property. Also, the experts emphasized that home staging has a positive effect on consumers' feelings. They claimed that consumers are attracted to properties and are willing to visit them. The findings of the consumer interviews support Lane et al. statement as well as expert interviews. Staged properties evoke more positive feelings and consumers are willing to visit staged apartments.

Lane et al. (2015) state that home staging has a positive impact on overall perception of a property. The consumer interviews support the previous research. In general, consumers perceived staged photographs positively. However, respondents claimed that furniture are elements that go away. Some of the respondents even felt themselves valued as customers due to staging activities.

Turnbull & Zahirovic-Herbert state that vacant properties lack of emotional appeal (2011). In other words, the authors argue that furnished properties evoke consumer's feelings. Lane et al (2015) adds that vacant properties influence negatively perceived liveability. According to the expert interviews, the company does not sell vacant properties because vacant properties do not appeal consumer's feelings. As consumer's feelings affect consumer behaviour it is not beneficial to sell vacant properties. On the other hand, the expert claimed that consumer can perceive furnished property better.

5.2.2. Time on the market

Lane et al. (2015) claim the impact of staging conditions on the time on the market cannot be examined. In other words, the impact on time on the market has not been studied yet. However, it has been argued that using home staging as a marketing tool decreases time

on the market (www.skvl.fi). In addition, the experts claimed that their company's average time on the market is 32 days in Lahti region. It has been argued that the average time on the market in Lahti is 115 days (Etuovi.com). This suggests that home staging might have an impact on time in the market. However, this will have to be studied in the future.

5.2.3. Impact on Price

Lane et al. argue (2015) that home staging does not influence consumers' willingness to pay more for a property although both realtors and consumers believe that home staging has an impact on price. In other words, home staging does not cause higher selling price. The experts claimed that clear link to impact on price cannot be drawn. Therefore, home staging has no clear effect on price.

5.3. How does the home staging done by Finnish companies differ from home staging in United States of America?

Feathersome state that in USA, home staging is done by professional interior designer that can work with as an independent stager or together with a realtor (2018). According to expert interviews, in Finland, home staging process is carried out by professional stylist and photographer. Home staging process is organized by the company and expenses are a part of the commission. Whereas, in USA as stagers can be independent entrepreneurs, home staging expenses are not necessarily a part of the commission.

Goslett (2016) states that the aim of home staging is to highlight the primary selling features of the selling property in the marketing process. Similarly, the experts claimed that the objective of home staging is to bring out the best visual features of a property into the marketing process. In conclusion, the aim of home staging is similar in both countries, to highlight primary features. In USA, home staging process can be carried out with homeowner's or, alternatively, with furniture from stagers' collections (Vitu, 2017). On the other hand, in Finland, home staging is primarily done with customer's own furniture in order to keep the properties as individual as possible. However, the experts claimed that vacant properties are furnished with company's furniture.

Home staging is an example of a diffusion of an idea to a local market. Ideas are adapted to local markets (Chai et al., 2004). Chai et al. (2004) argue that adaptation means customizing and revising the process in order it to work in local markets. In Finland, companies tend to provide home staging as a part of their service whereas in USA stagers can be independent entrepreneurs. This difference is an example of adaptation. The home staging process has been revised in order to be adapted into Finnish market. On the other hand, cultural differences influence adaptation process (Fang, 2001). The use Scandinavian design in the home staging is a cultural difference that has influenced adaptation process.

5.4. Limitations

Although the adopted qualitative methods served the purposes of the exploratory nature of this study, the sample of this study is limited. The results cannot be extrapolated to the general population due to the limited sample size. The sample was also biased due to demographics, such as age and gender distribution.

The case study method enabled a thorough exploration of home staging as a marketing tool and was a convenient way to answer why and how questions. However, this represents only one company in the real estate market and the results are largely generalized.

All of the interviews were conducted in Finnish, which caused translation problems. Some of the Finnish expressions were difficult to translate which might have caused some inaccuracy in the findings.

6. CONCLUSIONS

6.1. Main Findings

The aim of this study was to explore home staging as a marketing tool and its impact on consumer perception. Providing home staging as a part of service is considered to be a competitive advantage in real estate market. Home staging is done by professional stylists and photographers who intend to emphasize the best features of apartments. Home staging

can be seen in high-quality photography and usage of social media. The experts claim that it has a positive effect on time on the market, consumers feelings as well as willingness to visit apartments.

The results of consumer interviews suggest that home staging has positive effect on consumer perception and willingness to visit a staged apartment. The willingness to renovate an apartment did not have significant effect to choices of photographs. However, consumers who were searching an apartment that should be renovated paid attention possibilities for renovation. On the other hand, the consumer interviews suggest that consumers have positive attitudes towards home staging actives, however, photographs are not the only features that cause a visit to a property.

6.2. Theoretical Implications

This study supports Lane et al.'s theory (2015). Home staging has a positive impact on consumer perception. On the other hand, Lane et al. (2015) stated that realtors believe staging conditions have a significant impact on price. However, according to the expert interviews, realtors in Finland do not emphasize the impact on price. In addition, this study suggests that home staging has a positive impact on consumers' willingness to visit properties.

6.3. Managerial Implications

This study suggests that home staging as a marketing tool has a positive effect on consumer perception. Staged properties and high-quality photographs evoke more positive feelings in consumers than photographs that are not staged. The study also showed that consumers are willing to visit staged properties. As home staging has positive effects on consumer perception, real estate companies should adopt home staging to a marketing tool.

The expert interviews highlighted the possibilities of social media marketing. On the other hand, the interviewed consumers did not emphasize the role of social media when they are searching apartments. However, some of the respondent expressed that they might use social media unintentionally in their searching process. In addition, social media has a

significant role in consumers life nowadays. Therefore, managers should invest in attracting consumers who might use social media unintentionally when they are searching apartments.

This study suggests that other features of apartments than photographs are also important factors that impact on consumer perception. Although photographs have a significant role in real estate marketing, managers should also emphasize other factors in real estate marketing

Ultimately, as home staging is only done for the real estate marketing process, a code of conduct should be formed. Although misrepresentation might be temptingly easy with the help of photographs and virtual technologies, photographs should be a representation of reality.

6.4. Suggestions for Further Research

In the future, a similar study could be done with a quantitative research method to test the significance of the results of this study. On the other hand, the experts claimed that time on the market has decreased due to home staging activities. In order to prove the significance of this claim, it should be studied. Also, the influence of using virtual technologies on home staging and consumer perception could be studied in the future, because use of the technologies is increasing.

This study provided a list of features that consumers pay attention when they are searching apartments. On the other hand, several participants pointed out that photographs are not the only features they contemplate when they are searching apartments. For example, both price and location variables were considered important factors in decision making process. Therefore, the list of features this study provides could be useful addition to future studies. For example, the relationships between home staging and other features could be studied.

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APPENDICES

Appendix A

Appendix A

Expert Interview Template

Can you tell about your company?

What does home staging mean?

Where has the inspiration for home staging come from?

What kind of effect does the home staging on real estate market?

Can you tell about the home staging process?

Can you tell how is the home staging done?

Who belongs to home staging team?

Does social media have impact on real estate marketing?

Appendix B

Consumer Interview Template and Photographs

1. Do you own an apartment or a house?

If answered yes to the first question: When have you bought your apartment/house?

If answered no to the first question: Are you planning to buy an apartment/house?

2. What kind of houses or apartments do you like?
3. To what features of the selling property catch your attention?

(Location, size, interior etc.)

4. What is the most important feature of the selling property?
5. Are you willing to renovate?
6. Where do you search apartments?
7. Do you use social media when you are looking for apartments? How?
8. Would you buy a property without visiting it beforehand?

Will be asked with every photograph:

What is your overall opinion of this picture?

Do you like the interior of this picture?

Will be asked after showing the photograph pairs:

Which picture do you like more?

Which one would like to visit?

Will be asked after showing all of the photographs:

What is your favorite picture of all of these?

Demographics

Age?

Gender?

Nationality?

Occupation?

Home town?

Pair 1



Photograph 1



Photograph 2

Pair 2



Photograph 3



Photograph 4

Pair 3



Photograph 5



Photograph 6

