Doctoral Thesis

Intercultural Marketing and Communications: 
An Implementation on Housing 
In Turkey, Czech Republic and Russia

Mezikulturní marketing a komunikace:
implementace do bydlení
v Turecku, České Republice a Rusku

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ABSTRACT

As “a source of energy “ for economic surge, innovation always was an important factor in economic development (SCHUMPETER, 2012) and therefore, was a popular topic for academic research. In the light of actual economic problems such as globalisation, increased migration and multiculturalism, the modern economic innovation literature would benefit from knowledge of migrants’ overall cultural characteristics and migrant consumers’ cultural preferences particularly.

The literature review indicates that in spite of an agreement among researchers about the strong cultural influences, which affect consumer behaviour (USUNIER & LEE, 2009), (THOMPSON & TIAN, 2008), (HIRSCHMAN, Heroes, Monsters, and Messiahs: Movies and Television as the Mythology of American Culture, 2000), there is a scarcity of research in literature centered on intercultural consumer behaviour on housing market and a clear lack of cultural research in the field of consumers dwelling choice across Czech Republic, Turkey and Russia. Also, the literature review indicates the necessity of marketing approach for construction firms (DIKMEN, 2005), (BON, 1992-1997), (PETTINGER, 1998), but its application in the construction industry is difficult due to its unique features (HARRIS, 2006). This suggests that there is a deficiency in marketing applications within construction firms, and; therefore, easy applicable approach is needed.

Inspired by found necessity of housing cultural preferences research, this dissertation work aims:

(1) to elaborate basic marketing conceptions for products widely used for interior design in dwelling production in construction industry, such as furniture and basic materials as the elements of differentiation of marketing mixes for different cultural market segments in intercultural marketing; and for marketing in dwelling purchasing process with emphasis on the high value of communications in highly fragmented Construction Industry, especially in multicultural environment;

(2) to establish the preferred cultural variables influencing consumer dwelling and product choice that might be used as a basis for market segmentation in intercultural marketing for the sample of three cultural groups namely, Czech Republic, Turkey and Russia;

(3) to establish the existence (or otherwise) of a positive relationship between one’s ethnicity and the preferred housing style;

(4) to elaborate the results of research in methodological recommendations for the practice application of consumer behaviour research as an important part
of communications that is highly valuable for fragmentation problem solution in Construction Industry especially in the field of Intercultural Marketing.

The following objectives were placed for partial covering of this orientation:

1. To gain and analyze qualitative data;
2. To formulate hypotheses and to develop an instrument depending on the results of qualitative data analysis for the hypotheses testing;
3. To gain quantitative data using the hypotheses testing instrument and to analyze it;
4. To make suggestions toward investigation of cultural variables of consumers by building components and by dwelling preferences.

On the purpose of this study the following questions were raised.

- Is there a difference in consumers’ dwelling preferences in different cultural groups, for example, Czech Republic, Turkey and Russia?
- What are the main patterns of dwelling preferences in each of target groups?

The research consists of two stages: first qualitative and second quantitative one. The first stage is a qualitative exploration of cultural meanings of home in target cultures by collecting interview data from samples of 24 Czech, 17 Turkish and 12 Russian participants. Statements from this qualitative data were used for generating of the hypothesis and will be developed into an instrument for its testing over sufficient Czech, Turkish and Russian samples in different cities of target countries. The reason for collecting qualitative data initially is that based on the Literature Review there is neither existing taxonomy about home cultural meaning that influences dwelling choice in target countries nor an instrument for its testing so, they need to be developed based on the qualitative views of participants. The second stage is quantitative testing of hypotheses developed at the first stage of the study based on participants’ views. The instrument is image-based questionnaire.

The sample size for the quantitative hypothesis testing is 810 real estate companies’ customers email addresses, with usable responses received from 775 of these customers; this gives a quite high response rate of 95.7%.

Discussion is centered on various issues related to categories found, namely Nature for Czech, Cleanliness for Turkish and Heat for Russian group. These categories and subcategories are discussed with relations to Maslow hierarchy, Kotler’s 4Ps and human evolution, giving theoretical and practical suggestions and raising questions for future research.
ABSTRAKT

Inovace jako „zdroj energie“ pro ekonomický růst byla vždy jedním z důležitých faktorů ekonomického rozvoje (SCHUMPETER, 2012). Z tohoto důvodu bylo toto téma oblíbené za účelem akademického výzkumu. V dnešní době ekonomických problémů jako je globalizace, zvýšená migrace a multikulturnost, by mohly moderní ekonomické publikace zaměřené na inovaci čerpat z kulturních zkušeností migrantů a zejména preferencí týkajících se jejich spotřebitelských nároků.


Z tohoto důvodu a z důvodu potřeby výzkumu ve zmíněvané oblasti se tato dizertační práce zaměřuje na následující:

(1) vytvořit základní marketingové koncepce produktů používaných v oblasti interiérového designu ve stavebním průmyslu – nábytek a základní materiály používané ve výši zmíněných kulturách; monitorovat marketing v oblasti prodeje nemovitostí s důrazem na úrovne komunikací ve velmi rozdílném stavebním průmyslu zejména v mezikulturním prostředí;
(2) stanovit preferované kulturní proměnné faktory ovlivňující volbu spotřebitele při výběru bydlení jako základ pro tři již zmíněné skupiny – Česká republika, Turecko a Rusko;
(3) vytvořit pozitivní vztah mezi etnickou příslušností a preferovaným typem bydlení;
(4) metodicky zpracovat výsledky výzkumu za účelem využití v praxi – výzkum je rovněž zaměřen na chování spotřebitele jako důležitého prvku komunikace nezbytně nutného pro vyřešení problému rozdílnosti v oblasti stavebnictví a zejména v oblasti mezikulturního marketingu.

Následující cíle byly stanoveny jako dílčí ukazatele dané problematiky:

(1) získat a analyzovat kvalitativní data;
(2) formulovat hypotézy a vytvořit nástroj závisející na výsledcích analýzy kvalitativních dat a sloužící k testování hypotéz;
(3) získat kvantitativní data s využitím nástroje k testování hypotéz a analýza těchto dat;
(4) navrhnout možnosti zkoumání kulturních proměnných faktorů ve spojení se spotřebiteli a jejich preferencemi týkající se bydlení.

Za účelem zmiňovaného výzkumu byly vznесeny následující otázky:

- Existuje rozdíl v preferencích spotřebitelů v otázkách bydlení v jednotlivých kulturních skupinách, např. Česká republika, Turecko a Rusko?
- Jaké jsou hlavní vzorce požadavků na bydlení v těchto jednotlivých cílových skupinách?

Výzkum se skládá ze dvou fází - kvalitativní a kvantitativní. První fáze je zaměřena na kvalitativní výzkum kulturního významu domova pro cílové skupiny. Tato fáze byla prováděna na základě pohovorů s účastníky výzkumu na vzorku 24 Čechů, 17 Turků a 12 Rusů. Informace z těchto kvalitativních dat byly použity na stanovení hypotézy a budou použity pro vytvoření nástroje k testování dostatečného vzorku Čechů, Turků a Rusů v různých městech cílových zemí. Počátečním důvodem sbírání kvalitativních dat od účastníků výzkumu bylo zjištění na základě studia dostupné literatury, že neexistuje systematicka ani způsob testování posouzení vlivu kultury na výběr typu bydlení ve vybraných zemích. Druhou fázi je kvantitativní testování hypotéz stanovených na základě první fáze výzkumu. Pro studii byl použit dotazník zaměřený na představy dotázaných.

Za účelem testování kvantitativní hypotézy bylo použito 810 e-mailových kontaktů zákazníků realitních společností. Odpovědí 775 zákazníků z celkového počtu dotazovaných byly použitelné pro potřebný výzkum, což představuje 95,7% míru odezvy.

Nejdůležitějšími diskutovanými aspekty bydlení jsou příroda pro Čechy, čistota pro Turky a vytápění pro Rusy. Tyto kategorie a podkategorie jsou diskutovány ve spojení s Maslowovou pyramidou potřeb, Marketingovým mixem dle Kotlera a vývojem lidstva obecně za účelem podání teoretických a praktických návrhů a otázek, které mohou být předmětem dalšího výzkumu.
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\[ n = t^2 \times p(1-p)m^2 \]  \hspace{1cm} \text{Equation 4-1} \hspace{1cm} 94

\[ H = 12N(N+1)Rj2nj-3(N+1) \]  \hspace{1cm} \text{Equation 4-2} \hspace{1cm} 112
1. INTRODUCTION AND LITERATURE REVIEW

1.1 Introduction

1.1.1 Making connections

Economic development proceeds cyclically: Entrepreneurs, financed by bank credit, make innovative investments embodying new technologies, resource discoveries, and so on. If these innovative investments are successful, imitators follow, in the original industry and elsewhere and the economy embarks upon a dramatic upward surge: prosperity. Eventually, innovations are completed and investment subsides; an avalanche of consumer goods pours onto the market with dampening effects on prices; rising costs and interest rates squeeze profit margins: and the economy contracts: recession.

(Schumpeter, The Theory of Economic Development, 1911/1934)

Innovation plays an important role in economic development. One of the most famous and influential names in the entire field of economics, Schumpeter called it “a source of energy within the economic system which would of itself disrupt any equilibrium that might be attained” (SCHUMPETER, 2012). He defined it as “a commercial or industrial application of something new—a new product, process, or method of production; a new market or source of supply; a new form of commercial, business, or financial organization” (SCHUMPETER, 2012). The great innovations in the history were building railroad system in 19th and automobile development in 20th centuries. They didn’t only boost the economic development but rapidly changed lifestyle getting it at a higher level. The last such a global change, that may be defined as innovation, is Globalization that includes developments in communications and transportation, geo-political changes and thus increase in migration. People migrate causing change of demographic profiles and structures of markets. Entrepreneurs’ ability for responding to new market demands depends on successful innovative investment.

The recent sharp increase in labor force mobility in EU raised the number of economic studies focused on the influence of immigration on host economies. Moreover, there are hot political debates on the influence of immigration on the wellbeing of host populations and coping with “pressure points” it creates. “The UK's economy and society are flexible enough to adapt to and benefit from European migration flows, as long as the pressure points they create are quickly identified and addressed” (BBC, EU migrants: public services must prepare, 2013). Expanding of the EU since 2007 increased migration to the richest states
dramatically. Uncontrolled migration became a real problem for some EU states. The last political debates being deployed on the issue of gaining full rights to work in all EU countries by Bulgarians and Romanians in 2014. In UK it became the hot political topic. Growing public anxiety and concerns about a possible influx of Romanians and Bulgarians enforced the government to tighten the immigration rules (BBC, EU migrants: public services must prepare, 2013). The main worries are about migrants’ contribution to the host country. As Mr Cameron said: "concerns, deeply held, that some people might be able to come and take advantage of our generosity without making a proper contribution to our country" (BBC, David Cameron talks tough over European migrants benefits, 2013). There is a clear need for broad investigation of migration issue.

Majority of economic literature on immigration centres on labor market outcomes (CLARK & DRINKWATER, The Labour-market Performance of Recent Migrants, 2008) (BRUCKER & JAHN, 2008). However, immigration’s influence on the host economy may be not only through the supply but also through the demand. “A more comprehensive understanding of any impact can be reached by considering immigrants not only as extra labor force with possibly different labor force characteristics, but also as extra consumers with potentially different preferences in the consumption process” (KALANTARYAN, 2013). Migrants are also consumers of public services in the host country. Consumer, above all, is a human. Human is a social being. Homo Sapience as Homo Socialis cannot exist outside of human group. The person becomes and remains a person only continuously communicating with others in the certain social and cultural niche (BROWN). Similarly, a social group develops its self-identity just in communication with other groups. Migration is a natural process necessary for human evolution. The first significant migration in human history caused spreading of humans all over the world and diversity of races and cultures. Migrants always got new skills and knowledge to the host population. “The cultural background affects the behavior of immigrants as consumers. The resulting shift in the composition of consumers affects not only the scale but also the structure of the consumption of goods and services in the destination countries” (KALANTARYAN, 2013). The full evaluation of the issue is not possible without cultural investigation. This dissertation work contributes to the migration debates by investigating of cultural differences in consumers’ preferences on housing market. Housing topic was chosen because of its significant influence on society identity and
population’s wellbeing. Housing is an important element in living environment of migrants. Housing is one of the foundation stones of the human civilization. At the early stage of human evolution, need for shelter was solved locally by traditional design. “The house designs through this traditional method always reflect the socio-cultural characteristics of the people who built it” (ADEDAYO, 2011). Migration brought urbanization that is the main cause of changes in housing patterns. “Every house design reflects some form of socio-cultural characteristic; these characteristics can either be that of the architect, the end-user or an imported culture. When the socio-cultural characteristics of the house owner are not reflected at the house design, then the house owner will try to improve the product” (ADEDAYO, 2011). Houses form districts and towns; and shape the physical image of the country. Also, houses carrying certain socio-cultural characteristics determine society and create its identity (ADEDAYO, 2011). Governments are responsible of insuring that all of society members have a home, that is a basic physiological drive in human motivation together with breathing, food, water, clothing and sleep (Maslow, 1943, Psychological Review, 50). Quality of housing, as quality of food and clothing, forms quality of life. Housing represents a considerable share of households’ wealth; and the housing-related expenses represent an important part of the overall expenses for the majority of households (KALANTARYAN, 2013). High quality housing must respond to all needs and preferences of the certain group of potential homeowners, so, housing includes a wide range of aspects such as sociological, political, economic, technologic, etc. Since the migrants are expected to contribute to the host country’s economy, the government should create a special living environment and public services.

The choice of EU and particularly Czech, Turkish and Russian housing markets as subjects for empirical estimation is motivated by several reasons.

First, migration issue is a current hot topic in EU political debates. Expected new wave of immigration to EU rich states and public anxiety force governments to develop solutions for coping with possible “pressure points” created by migrants. As an increasing of the quality of life in rapidly changing EU is one of the main goals of European Parliament, dwelling research becomes an important issue in its all aspects. Rapidly changes in socio-cultural profile of EU states, caused by increasing immigration, make a cultural aspect of dwelling research of greater interest for all members of construction industry. Migrants
usually carry not only their skills but also their traditions, customs and attitudes to the country of destination (KALANTARYAN, 2013).

Second, there is clear deficiency of cultural housing studies in EU and particularly in Czech, Turkey and Russia. However, number of cultural housing studies in USA, which is historically considered as a country of immigrants, shows the importance of properly immigrants housing for the well being of whole population. For instance, Lee (2004) found significant correlation between residents’ cultural background and housing satisfaction that was considered as indicator of residents’ quality of life and of success of housing developments (LEE & PARROTT, Cultural Background and Housing Satisfaction, 2004). The results of another mixed methods study, conducted by Lee (2012) indicated, “perceived cultural housing differences significantly influenced physical housing perception, neighbourhood perception, and attachment, which significantly influenced residential satisfaction” (LEE & PARK, Perceived Cultural Housing Differences and Residential Satisfaction: A Case Study of Korean Sojourners, 2012).

Third, investigation of the problem from angles of countries with different relations to EU contributes to better understanding of the issue and allows more precise and long-term estimations. In the frame of this dissertation work the testing sample for the cultural dwelling research was chosen as one current EU member, Czech Republic, one country in the process of becoming EU member, Turkey, and one non-EU member with great amount of migrants to EU, Russia. Forth, researcher’s familiarity of languages and cultures of chosen countries decreases biases and costs. The researcher’s experience and observations were inline with Aragones’s and etc. (2002) statement that the dwelling is more than a structure full of things; its form and organization are influenced by the culture in which it develops and may be viewed to reflect the relationship between culture and environment. Design and use of houses reflects cultural values, so people may have different housing experiences according to their cultural backgrounds (ARAGONES, FRANCESCATO, & GARLING, 2002). For example, Russians quite happy in apartments and are not desperate for separate houses while Czechs are proud to be able to have detached houses with big gardens; and Turks try to turn their gardens once they have them into a balcony-like places with concrete all around and just a small places rest for plants. Do people from different cultural groups indeed have different home preferences that may characterize them as a group? What is the cause of this difference?
Knowledge of it would be beneficiary in the process of developing new housing and producing it by construction companies, for advertisers, for policy makers and, of course, for consumers.

On the other hand, cultural landscapes of modern cities are changing dramatically by increased numbers of migrants. Sometimes, it is possible to hear Turkish language in Berlin more than German; and Azerbaijain language more than Russian in Moscow. Growing population of migrants with their own cultural preferences places demands on services generally and on housing services particularly, creating a new segment of market. This demands pressure local governments and industries to modify the methods of developing cities and suburbs. Moreover, new market means profit potential for companies able to develop innovative models that response to the demand.

Because of some features of construction industry, it is easier to use popular foreign housing models then develop a new one. During housing design architects often focus on reducing of construction cost and on saving the time of design production, therefore they eliminate the end users in the process. Current situation is that people are often forced to live in housing developed according to preferences of a different cultural group or costly rebuild it. In Russia this problem is so serious that constructors try to solve it by selling rough construction housing without any finishing.

It is clear, that homebuyers’ behavior beside of economic factors has deep cultural roots and should be studied from different perspectives. It could be interesting and beneficiary for better understanding, for example, to compare different types of housing stock in target countries with Maslow’s pyramid and human evolutionary development; and investigate them from Kotler’s 4P’s and 5M’s perspective.

1.1.2 Format of the Thesis

This Thesis is conceptually divided into two parts: intercultural housing marketing and its properties (Chapters 1 to 3) and forecasting behavior of homebuyers linked to their cultural belonging (Chapters 4,5).

Chapter 1 presents a literature review of relevant to research aspects and definitions. Review aims to provide a theoretical background to the issues
investigated. The review covers a variety of issues: definition and characteristics of construction industry with its components, suppliers and external environment; definition of marketing and communications and previous studies with scope from marketing in general to intercultural marketing in the Housing market; definitions of culture and housing and previous cultural and behavioral studies including Maslow’s hierarchy, cultural genesis and link between culture and homebuyers’ behavior; summary and theoretical discussion with problem statement and questions raised.

Chapter 2 sets up goals and hypotheses of the study.

Chapter 3 develops and justifies methodological settings as Grounded Theory Exploratory Mix Methods study and also justifies sampling of three cultural groups.

Chapter 4 contents all data concerning two stages of the research, namely Qualitative with application of in-depth interviews and Quantitative with application of questionnaires; and their empirical results.

Chapter 5 presents the research conclusions and discusses these conclusions. It either includes the policy implications of the research results and suggestions for future study.

1.2 Cultural issues in construction marketing: a review of the literature

1.2.1 Construction Industry

Construction industry is one of the most significant contributors to the overall economic growth of any country, and it has some unique features that keep it apart from the other fields of economy. The construction industry in most countries in the world is one of extreme competitiveness, with high risks and generally low profit margins when compared to other areas of the economy (MOCHTAR & ARDITI, Role of marketing intelligence in making pricing policy in construction, 2001).

Construction industry might be defined in the frame of the works covered:
• The construction or erection of a building or structure that is or is to be fixed to the ground and wholly or partially fabricated on-site;
• Any preliminary site preparation work (including pile driving) for the construction or erection of any such building or structure;
• The alteration, maintenance, repair or demolition of any building or structure, excluding electrical or metal trades maintenance or repair work;
• The laying of pipes and other prefabricated materials in the ground, and any associated excavation work;
• The construction, erection, installation, extension, alteration or dismantling of a transmission or distribution line, or plant, plant facility or equipment used in connection with the supply of electricity; or an air-conditioning, ventilation or refrigeration system;
• The construction, erection, installation, extension, alteration, service, repair, replacement of parts or dismantlement of a lift or escalator;
• Electrical or metal work associated with other engineering projects (Services).

EU Government considers construction industry as a highly fragmented. Its high fragmentation has significant negative impacts – low productivity, cost and time overrun, conflicts and disputes, resulting in claims and time-consuming litigation; that were blamed as the major cause of performance-related problems facing the industry (LATHAM, 1994) (EGAN, 1998).

As a solution of the fragmentation problem many approaches such as design-and-construct, concurrent engineering and lean construction have been recommended (MOHAMED, 1997). Unfortunately, these approaches have proved inadequate (MOKHTAR & BEDARD, 1995).

European government believes that increasing legislation is the only way to improve the performance of the high fragmented construction industry in terms of safety.

The straight rules make Construction industry that is naturally long-term oriented, even more conservative. One of these rules is a product accreditation regime carried out by an independent body against relevant International standards and building regulations. It is a certification for the specific product in the specific application.

“Hence, to introduce a new product, it is essential to have third party validation that the product will perform as the manufacturer states. Achieving this accreditation can take up to a couple of years to get, and it then takes a
substantial amount of time to develop the product for today's construction industry” (100).

These characteristics keep Construction Industry apart of other industries either from point of view of economic theory. Since the middle of last century at the time of prevailing of classic economy views there were attempts of foundation of models for construction industry on economic theories.

For example, Ingram and Oron (1978) pointed, “The appropriateness of equilibrium assumptions in the housing market” and “presented a theoretical representation of housing supply that emphasizes the operation of the existing stock of dwelling units. The production of dwelling unit quality was treated in terms that parallel the choice of optimal plant size in the theory of the firm. In their model the dwelling unit is the "plant," and the housing producer must invest or disinvest in this plant over time so that he produces his "output," dwelling unit quality, in a least-cost way. In addition, housing producers can have different kinds of plants (structure type) and buy and sell in different markets (neighbourhoods)” (INGRAM & ORON, 1978).

With development of marketing neoclassical economics theories became deficient for providing theoretical foundations for modern marketing strategies. Thus, some new theories were developed. For example, Hunt and Morgan (1995, 1996, 1997) have developed an interdisciplinary, process theory of competition, labelled resource- advantage theory (hereafter, R-A theory), that is claimed to be a positive theory of competition that is capable of providing a theoretical foundation for normative marketing strategies, such as relationship marketing and market segmentation (HUNT, Foundation of Marketing Theory, 2002).

Later, Hunt and Arnett (2004) grounded marketing segmentation theory on R-A theory. “Although market segmentation strategy is a well- accepted component of marketing strategy and a fundamental concept of modern marketing, extant theories of competition in neoclassical economics do not provide theoretical foundations for it. Indeed, theories of competition from mainstream economics view market segmentation as detrimental to societal welfare. Therefore, neoclassical theories of competition cannot guide researchers and practitioners who are interested in studying and/or implementing market segmentation strategies. However, R-A theory can provide a theoretical foundation for market segmentation strategy because it (1)
provides for the existence of demand heterogeneity, (2) justifies why firms often choose to produce and market a variety of market offerings in the same industry, and (3) explicates a mechanism by which market segmentation can lead to superior financial performance” (HUNT & ARNETT, Market Segmentation Strategy, Competitive Advantage, and Public Policy: Grounding Segmentation Strategy in Resource-Advantage Theory, 2004).

1.2.2 Components for dwelling building

Construction Industry is highly dependent on input of the products of other industries-providers with building components.

“Buildings start off as raw materials like glass, which is used to manufacture components like windows. These are then assembled into systems like facades, which are constructed to form buildings” (100).

“The basic function of a building is to provide structurally sound and environmentally controlled spaces to house and protect occupants and contents” (Consulting).

After the building envelope is finished interior design works start. Interior design components such as doors, furniture, bathtubs, curtains, and electric furniture are manufactured from raw materials. The manufacturers have to diversify their production due to increased competition. There is a huge range of these components all over the world. They vary significantly according to customers’ preferences, standards and legislations. Constrictors have practically unlimited opportunities for creation unique design patterns according to their customers’ preferences that is interesting for this dissertation work because of opportunity to investigate different cultural patterns of housing design preferred by customers in different cultural groups.

1.2.3 Suppliers for Construction Industry

Except for the most trivial projects, the delivery process for a constructed facility consists of several phases and a multitude of professionals from various disciplines working together to advance the project (FISCHER, WAUGH, & AXWORTHY, 1998).
Construction projects typically involve tens and hundreds of companies, supplying materials, components, and a wide range of construction services (DAINTY, BRISCOE, & MILLETT, 2001).

The most significant characteristic of this process is the project organisation which has been described as a “temporary multiple organisation” (CHERNS & BRYANT, 1983).

As building components are manufactured from raw materials, suppliers in construction industry may be divided into two categories: direct suppliers and indirect suppliers. Direct suppliers produce the components used directly in construction on site. They are suppliers of raw materials such as steel, cement, sand; and producers of design components such as furniture, bathtub, carpets and other similar components. Indirect suppliers are suppliers of raw materials and parts for direct suppliers’ production needs.

In a project of larger scale, the supply chain relationships may be more complex because subcontractors may subcontract some parts of their jobs to other companies. This results in layers of subcontractors each of which is associated with its supply chains with different trading partners (CHENG, LAW, BJORNSSON, JONES, & SRIRAM).

1.2.4 Construction Industry external environments

External environment is important for identification of future market needs.

PEST analysis is a useful tool for analyzing the external construction environment.

- Political - Government policy and EU directives that affect the construction industry.
- Economic - The health of the economy and interest rates affect demand for residential property. The construction industry is increasingly interested in whole life costs of the building, which includes initial capital costs, operating and maintenance costs - understanding how better design can improve all these costs.
- Social - Changes in the birth/divorce rates and the average number of people living in a household affect the demand for housing.
- Technology - New construction technologies affect working practices in the building industry (CORUS).
Social aspect includes either cultural factor with significant influence of climate and customs as it was discussed above. Migration as one of the factors of social aspect is important indicator of future needs and requirements in construction industry. It is clear, that in the next decades racial diversity because of migration will change the cultural landscapes of many countries including Czech Republic, Turkey and Russia. Migrants will place important demands on services, in building industry particularly. It is important to realize the profitability of multiculturalism and develop supporting initiatives.

1.2.5 Marketing and Communications in the Housing Market

Schumpeter pointed that successful innovation causes economic surge; market power provides the condition for earning abnormal profits from it (SCHUMPETER, 2012). Successful innovation places the company in temporary monopoly conditions allowing its high profitability. The question rose what is successful innovation? Successful innovation, first of all, should appeal to potential customers’ needs. This is an issue of Marketing that ensures customer orientation of a whole company.

The main purpose of any company is achieving high organizational performance that ensures high profitability and competitiveness. Thus, it is truly natural that organizational performance is the most popular research field in the management area for many decades.

There is a growing body of management science literature that emphasizes positive influence of marketing on organizational performance.

While marketing is an extremely old research topic, foundation of marketing definition is considered to be in 1969 (HUNT A., 2006). Debates at that time were around the issue of identifying the appropriate scope of Marketing. Kotler (1969) pointed that no organization can avoid marketing, and the question is just whether well or poorly use it (KOTLER & LEVY, Broadening the concept of marketing, 1969). The other debate participants argued for including social issues to the concept of marketing (LAZER, 1969) or against it (LUCK, 1969).

Eventually, in 1985 an expanded definition of marketing was approved: “Marketing is the process of planning and executing, the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals” (BENNETT, 1988).
In 1986, the issue about the importance of customer needs was added to the debate (DEMING, 1986). For example, Kohli (1990) pointed that: “The marketing concept requires firms to take a proactive attitude to do business and be responsive to customer needs and market changes” (KOHLI & JAWORSKI, 1990).

Since that time, a number of scholars tried to define the marketing concept: The marketing concept is a business philosophy that centres on the importance of having a deep appreciation for the customer so that the marketer can match or exceed the needs of the intended market better than the competition and, as a result, provide the company with a continued competitive advantage in the market place (MOLONEY, FAHY, & MCALEER, 2005). The marketing concept reflects a customer philosophy that identifies consumer needs and integrates marketing activities with all functional areas in the organization to attain corporate goals by satisfying those needs (SPILLAN, 2006).

According to American Marketing Association (2004), “Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders” (AMA).

At the same time, debates about an influence of marketing on organizational performance also were started.

Appearance of a few claims concerning declining of the power of marketing e.g. (DAY, 1992), (KOTLER, Ten deadly marketing sins. Signs and solutions, 2004), (KUMAR, 2004), (SHETH & SISODIA, 2005), (VARADARAJAN, 1992), (WEBSTER, MALTER, & GANESAN, The decline and dispersion of marketing competence, 2005) and even declaration marketing as dead, irrelevant and powerless (SCHULTZ, 2005) led to numerous studies on the role of marketing within the company e.g. (HOMBURG W. K., 1999), (MOORMAN & RUST, 1999), (VERHOEF & LEEFLANG, 2009).

Auh (2011) classified studies of the role of marketing within the company into four key categories:

First, the marketing orientation and its impact on performance. This stream consist of a huge number of studies that support the statement about positive link between a market orientation and performance e.g. (JAWORSKI, 1993),
(KIRCA, JAYACHANDRAN, & BEARDEN, 2005), (LANGERAK, 2003), (NARVER & SLATER, 1990), (SLATER & NARVER, 2000).

Second, marketing's influence at the level of corporate strategy. These studies argued the usefulness of power theory (CESPEDES, 1995) and mostly focused on the close relationship of CMO and marketing status inside the company (KERIN, 2005), (NATH & MAHAJAN, Chief marketing officers: A study of their presence in firms' top management teams, 2008), (WEBSTER, MALTER, & GANESAN, Can marketing regain its seat at the table?, 2003).

Third, marketing as a subunit in company. This stream denied the significant contribution of marketing to performance e.g. (ATUAHENE-GIMA, 2008), (HOMBURG W. K., 1999), (WEBSTER, MALTER, & GANESAN, The decline and dispersion of marketing competence, 2005), (MALTZ & KOHLI, 2000), (HOMBURG J., 2007).

Fourth, marketing as a function. These studies found that the marketing function has positive performance outcomes only because of its link to a market orientation (VERHOEF & LEEFLANG, 2009), (MOORMAN & RUST, 1999).

As it can be inferred from the literature review above, most researchers agree that marketing is a complimentary business approach for improving company performance; only a handful of studies claimed marketing as useless and powerless.

Superior marketing capability is essential for achieving maximum financial performance and improving efficiency. Marketing capability is found to be the key to success (NATH, The impact of marketing capability, operations capability and diversification strategy on performance: A resource-based view, 2010). Marketing creates an environment where employees at all levels understand how priorities are set and connected with customer needs, and the network organizations are informed of the customer requirements (LAI & CHENG, 2005). According to Auh and Merlo (2011), marketing provided effectively “certainty” to production departments, mainly through its coping activities and its central position within the company's workflow (AUH, 2011). Hinings et al. (1974) call this a “shock absorber function”, and it can be critical to company performance (HININGS, 1974). A powerful marketing function makes a significant contribution to business performance (AUH, 2011).
Thus, the role marketing plays seems to be critical to achieving high organizational performance. Because of coping with the external environment, marketing ensures that all company units are “focused on improving customer satisfaction rather than on management’s own perceptions of quality requirements” (LAI & CHENG, 2005). Thus, marketing establishes critical connections between the customer and critical company units (AUH, 2011).

Since connections consist of communications, communication plays an important role in marketing. Communications occur either between customer and company units or among the company units. It takes place in a certain cultural environment that influences the communication process significantly.

Chisnall’s communications model (Picture 1.1) indicates a dependence on culture (CHISNALL, 1995):

```
<table>
<thead>
<tr>
<th>Sender</th>
<th>Input</th>
<th>Media</th>
<th>Receiver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>Marketing Message</td>
<td>Mass Media/Personal</td>
<td>Target audience</td>
</tr>
</tbody>
</table>
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*Picture 1.1: Marketing communications model

*Source: Chisnall, 1995*

The message passes from sender to receiver as a code; the most common form of code is language. According to Miller (1963), "If the people communicating are unfamiliar with the code, or if they are unable to distinguish the differences among the symbols, errors become likely" (Miller, 1963). Communication is an exchange of mutually recognised symbols that are provided by the social organisation. Problems may occur when communication
takes place among people from different cultural backgrounds that have different value systems.

"It is lack of shared symbols and experiences which makes cross-cultural communication so difficult" (KALE, 1991).

Thus, communication is highly dependent on culture.

Since marketing is a key factor of business performance, there is a growing body of studies on adaptation of marketing to the construction industry.

Construction industry has some unique features that make applying marketing difficult. “The legacy of the high level of fragmentation in construction industry is that the project delivery process is considered highly inefficient in comparison with other industry sectors” (TUCKER, MOHAMED, JOHNSTON, MCFALLAN, & HAMPSON, 2001). Some of the consequences of the fragmentation problem include (EVBUOMWAN & ANUMBA, 1998):

- Inadequate capture, structuring, prioritisation and implementation of client needs;

- The fragmentation of design, fabrication and construction data, with data generated at one not being readily re-used downstream;

- Development of pseudo-optimal design solutions;

- Lack of integration, co-ordination and collaboration between the various functional disciplines involved in the life-cycle aspects of the project; and

- Poor communication of design intent and rationale, which leads to unwarranted design changes, inadequate design specifications, unnecessary liability claims, and increase in project time and cost.

“There is a growing awareness of the value of communications to bring together the major parties in the construction process and share project as well in a meaningful way” (TUCKER & MOHAMED, Introducing information technology in construction: Pains and gains, 1996).

The traditional organization of the construction process consists of several distinct phases (CAMPAGNAC, 1998), (HOBBS, 2001) with a clear separation of roles between the actors involved at each phase (CRESPIN-MAZET, 2007). As construction companies are only involved in the construction phase and their
prime responsibility is to deliver a project, which has been designed by a separate design company according to the needs of the owner, production orientation seems to be the dominant approach. Traditionally, construction companies had preferred focusing on the product, and technological excellence, which are not of less importance today, however, these qualities have to be communicated to clients in the form of customer value (PETTINGER, 1998) and focus should also be placed on marketing aspects (DIKMEN, 2005).

**Kotler**

Marketing is a complex system centred on customer. There are too many factors to consider during marketing strategy development, so need for organisation scheme is obvious. Such a scheme is known as Marketing Mix. Marketing Mix may be defined as tools for application of Marketing concept, and is often associated with Kotler's 4 Ps. The marketing mix traditionally was developed by Kotler for goods sector, so there were 4 Ps: Product, Price, Promotion, and Place (KOTLER, Marketing Management, 2000). Later, with other sectors' development, the marketing mix was modified and adopted for their needs. For example, 3 more Ps were included for service sector's needs (7 Ps) and 3+1 Ps for hotel marketing (8 Ps) (LOVELOCK & WIRTZ, 2007).

Considering the fact that construction is mainly service oriented the marketing mix theory (4P) developed by Kotler provides just a little help to the construction industry (ARDITI D., 1988); (PECK, 1994); (MALONEY, 2002); (CHEAH, 2004); (SKITMORE & SMYTH, 2007). According to Smyth (2000) and Winter and Preece (2000), the solution to obtaining a marketing theory for the construction industry lies in tailoring the existing marketing theories from similar industries (e.g. service industry, etc.) to fit the specific characteristics of the construction industry (SMYTH, Marketing and Selling Construction Services, 2000); (WINTER & PREECE, 2000). The modified marketing mix theory, also known as the 5Ps, consists of five parameters, namely product, price, promotion, place and people (JUDD, 1987).

(1) Product. The construction product involves both the product itself (i.e. the constructed facility) and the service provided by the construction company throughout the construction (MALONEY, 2002) (MOCHTAR, Marketing expenditures in the Indonesian construction industry, 2004). Achieving product differentiation is extremely difficult for contractors as clients are basically not able to assess construction quality until the end product finally materializes (FORSYTHE, 2008). On the other hand, a construction developer can achieve
product differentiation in terms of construction quality, aesthetic of construction products and construction materials and equipment (POLAT & DONMEZ, 2010). Service differentiation amongst contractors may actually be measured in terms of the quality of a construction company’s technical performance (MOCHTAR, Marketing expenditures in the Indonesian construction industry, 2004), the extent of the innovative customization involved in the contract (GERWICK, 1982), and the provision of extended services such as financing and leasing (SCHAUFELBERGER & WIPADAPISUT, 2003).

(2) Price. Price is the most powerful basis for differentiation amongst contractors. The lack of product differentiation compels contractors to offer the lowest price (POLAT & DONMEZ, 2010). Indeed, in the traditional contracting environment, the hit-rate in competitive bidding is predominantly determined by how low a contractor can bid relative to other bidders (NASSAR, 2003), (SKITMORE & SMYTH, 2007).

(3) Promotion. Promotional techniques used in mass consumer markets cannot be easily transferred to construction due to the relatively high transaction cost, long transaction time and uniqueness of construction (ARDITI P. M., 2008). Promotional activities are identified as information services, advertising, publicity, brochures and publications, corporate identity program, price strategy, modified contracts and additional services, and education, support and participation of all employees (ARDITI D. , 1988), (CHEAH, 2004).

Promotion or Advertising is a mass communication process designed to change the recipient’s attitudes and behavior (BURMANN, MEFFERT, & KIRCHGEORG, 2008). According to Kotler (2008), Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor (KOTLER & KELLER, Marketing Management, 2008). Kotler suggested five steps of development an Advertising company and called them 5 M’s of Advertising. They were defined by him as Mission, that is a setting of goals and objectives of the Ad program; Money, that is a budget for the program; Message, that is the Advertisement by itself; Media, that is a communication channel and type; and Measurement, that is evaluation of the result.

(4) People. The people parameter refers to relationship marketing, which helps construction companies to develop long term and sustained contact with clients. So that, their needs can be targeted and satisfied in return for client

(5) Place. The place parameter means the location where the client wants to have a structure built, or the new markets into which the contractors intend to expand (DIKMEN, 2005) (ARDITI P. M., 2008). Typically, a contractor has no control over the geographical location of a construction project except in real few instances when the contractor doubles as a real estate developer (ARDITI P. M., 2008).

Effective marketing promises several benefits to construction companies such as increase in profits, increase in sales, increase in customer satisfaction, development of company image, development of product/services, entrance to new markets, creation of new markets, improvement of customer loyalty, improvement of reputation, improvement of total quality (DIKMEN, 2005).

Despite the advantages marketing offers, marketing principles have been adopted quite slowly in the construction industry (HARRIS, 2006).

Also, research findings show that many firms in the construction industry share skeptic view to marketing (HARDY, 1983), (MORGAN & MORGAN, 1991); most researchers agree that marketing is necessary for effective business development. Similarly, Bon (1992–1997) states that the traditional competitive advantages on which most of the construction firms rely, such as technical expertise, historic market connections are rapidly being eroded; so in order to maintain market share, companies should seek different, less traditional competitive advantages such as superior marketing capability (BON, 1992-1997). Either Pettinger (1998) found the positive relation between the success levels and marketing perceptions of construction firms in UK (PETTINGER, 1998).

Richardson (1996) explained four common misunderstandings observed in the European construction markets. First, only top managers should participate in marketing activities. Second, marketing and selling are the same. Third, marketing is only about advertising and public relations. Fourth, marketing approach should apply only to large firms (RICHARDSON, 1996). Winter and Preece (2000) made a conclusion that marketing is still understood as a sales
function, and it is usually not integrated with the firm’s structure, culture and strategies (WINTER & PREECE, 2000).

In spite of the misunderstanding, changes experienced in project financing and delivery systems (e.g. build-operate transfer project financing system, design/build project delivery system, etc.) and the pressure of intense competition in the construction industry compel the companies to adopt a different way of thinking about the competitive forces and customer expectations that necessitate a change management and a marketing orientation for business planning (DIKMEN, 2005).

Most of The researchers agree that weaknesses in marketing application within construction firms may lead to decreasing company performance that may be fatal in current crises environment. For example, according to Cicmil and Nicholson (1998), marketing strategy is common sense, but, unfortunately, many companies do not realize it's true worth until it is too late to change (CICMIL, 1998). The situation started to change the last seven years. According to recent research, construction companies have recently digested the reality that the days of passiveness are over; and they have begun to use marketing activities for projecting their corporate image, scoring higher in pre-qualification criteria, and creating and/or finding new markets (PRYKE & SMYTH, 2006), (ARDITI P. M., 2008).

If the situation with understanding of value of marketing in construction industry changed positively during last decade, intercultural marketing in construction industry is still at neonatal stage. However, intercultural marketing research topic is not new, but even popular.

“We buy our clothing, footwear and home ware chains and products at Bally, Benetton, C&A, or Marks & Spencer. Our personal care products are Chanel, Nivea, Shiseido, or Ralph Lauren. Our furniture comes from Habitat or IKEA. Our durables products are branded: B&O, Philips, Sony, or Whirlpool. Some prefer a Rolex watch, others a Swatch. We read newspapers and magazines such as The Economist, Readers' Digest, Cosmopolitan, Marie Claire, and Playboy. We watch the Olympic Games and artists like Madonna, Prince, and Tina Turner. The conclusion seems to be that the globalization of markets cannot be ignored” (VANRAAIJ, 1997).

Since there was a question of globalization of markets (LEVITT, 1983) in 80th, intercultural marketing became a popular topic of research. Lenartowicz
and Roth (2001) report that almost 10% of the articles published in 10 renowned journals during 1996–2000 used culture as an independent variable (LENARTOWICZ & ROTH, Culture assessment revisited: the selection of key informants in IB cross-cultural studies, 2001). Main debates were in the field of standardization–customization of cross-cultural marketing.

At that time, many scholars have asserted that the communications revolution has created such a level of convergence among consumers across national markets that national culture should no longer be cited as a barrier to international standardization (MOON & JAIN, 2002), but later, after standardized marketing approach led to declining profitability of some companies on other markets, it became clear that efficiency of standardization approach is misleading.

Cultural differences seem to become less significant as we grow towards a universal, global and homogeneous culture, at least as consumer behavior, and entertainment is concerned. This picture is, however, largely misleading. Cultural differences will remain crucial. Local and regional cultural differences may be even enhanced rather than reduced (VANRAAIJ, 1997). “Consumers buy meanings, and marketers communicate meanings through products and advertisements. Consumer goods are vehicles of cultural meanings and consumers choose and then make use of these cultural meanings. Any element of consumer behavior is filtered through cross-cultural lenses” (USUNIER & LEE, 2009).

Table below presents a cultural influence on areas of marketing:

<table>
<thead>
<tr>
<th>Area of Marketing</th>
<th>Cultural differences influence…</th>
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<tbody>
<tr>
<td>Consumer behavior:</td>
<td>Cross-cultural consumer attitudes and decision-making</td>
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<td></td>
<td>Local consumers and global consumption</td>
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<tr>
<td>Market research:</td>
<td>Equivalence and methods in cross-national market surveys</td>
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<td>Overall marketing strategy:</td>
<td>Global versus locally customized marketing strategies</td>
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<td>Targeting market segments:</td>
<td>Cross-border vs. country clustering</td>
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<td>---------------------------</td>
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<tr>
<td>Product policy:</td>
<td>Adaptation or standardization of product attributes</td>
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<td>Brand image:</td>
<td>Brand and country of origin evaluations by consumers</td>
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<tr>
<td>Price policy:</td>
<td>Bargaining rituals/Price-quality evaluation/ Price strategies towards consumers, competitors and suppliers</td>
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<tr>
<td>Distribution channels:</td>
<td>Channel style and service, producer-distributor relationships</td>
</tr>
<tr>
<td>Communication:</td>
<td>Word-views (through language) and communication styles</td>
</tr>
<tr>
<td>Advertising:</td>
<td>Tailoring messages to local audiences’ cultural traits</td>
</tr>
<tr>
<td>Personal selling:</td>
<td>Selling styles, sales force management, networking and public relations, bribery and ethical issues in an international context.</td>
</tr>
</tbody>
</table>

*Source: Usunier and Lee, 2009*

Cause of this strong influence is in the nature of culture. Model that supports multiculturalism “should increase the quality of life for all residents, accommodate population growth, reduce environmental impact, and offer developers a viable model to profit from the enormous housing demand projected over the next several decades” (MENDEZ, 2005).

**1.2.6 Culture and Culture in Construction Industry**

The central concept of this dissertation work is housing. People always shaped environment around since the time of early civilization when the first simple buildings were erected from mud. Building structures became the setting for conducting everyday routines and chores, places where people spent their
entire lives. Every civilization had its own way of building structures to meet all needs of the group, including cultural, ritual and other needs.

Housing as a residential space may be of different types with different meanings and names. The meanings range from the basic shelter to “Being-at-home-in-the-world” (HARRISON, 2007). Heidegger sees building and dwelling as two sides of the same coin. To dwell means to build and building is how we constitute our dwelling (HEIDEGGER, 1978). According to Rose (2012), dwelling does not designate a passive condition but a mode of human practice (ROSE, 2012). Latimer (2009) shows that what people “keep” affect their experience of dwelling; so, that the way in which “home” is created and made reflects differences in cultural means (LATIMER & MUNRO, 2009).

Rapoport (1981) defines the concept of a dwelling as a system of settings in which a certain set of activities takes place, and classifies features of the dwelling into three types: fixed-feature elements, semi-fixed-feature elements and non-fixed-feature elements. Fixed features’ changes are rarely and slow, but they may be subjects to surficial treatments like decoration and finishing. Structural elements like walls and floors are in this category. Often the fixed features are under the control of codes and regulations (RAPOPORT, Identity and environment: A cross-cultural perspective, 1981). As it was argued by Ahrentzen (2002), fixed features are more likely to reflect social, organizational, cultural, and institutional meanings rather than those of the individual (AHRENTZEN, 2002). Semi-fixed features may be changed quickly and easily. They include furniture, soft furnishing such as carpets, and personal objects like photograph frames, and carry meanings to the occupiers by printing the identity onto the place (BECKER & CONIGLIO, Environmental messages: Personalization and territory, 1975). Non-fixed features include activities that take place in the dwelling and communicate with occupier’s social status (LEAVITT & LOUKAITOU-SIDERIS, 1995).

Banham (2007) and Oliver (2006a) suggested classification of residential spaces into three levels namely shelter, house, and home; and a home is much more than a physical structure, it represents deep social structures (BANHAM, 2007) (OLIVER, The cultural context of shelter provision, 2006a). Bachelard (1994) argued that personal factors such as intimacy, daydreams, imagination, and memories affect the establishment of a home (BACHELARD, 1994).

Three levels of residential space are useful for product segmentation strategy
on housing market; moreover, it is already widely used by marketing specialists. Usually housing products are divided to standard and luxury categories that allow identifying consumer segments with different income levels and thus, preferences. The categories may differ across countries; for example, in Russia because of large stock of Soviet era poor quality block mass housing most of which may be considered as Shelter, there are different renovation styles for converting it into various categories of housing. Elite renovation housing is included to luxury category that may be considered as Home, Western-style and cosmetic renovation housing may be referred to House level, and rest of standard old mass housing with poor quality and functionality may be attributed to Shelter.

Czech housing stock also includes Panelaks block mass housing as Soviet era heritage, small housing consisting of just one room without any bathroom and/or kitchen is quite common and clearly may be classified as Shelter.

Shelter level of housing may be hardly found in Turkey, with exception of social housing such as homeless shelters and dormitories. The reason lays in historical Government policy and Housing Law. Historically, there was insufficiency of large-scale housing projects in Turkey. A key element in mass housing development, Mass Housing Law with Housing Development Fund, was effective just about a decade since its first adaptation in 1981 and till major economic and political challenges in 1993. Small constructors were more customers oriented with individual small-scale projects that allowed maintaining of traditional housing style. So, housing in Turkey may be divided into two categories, Standard and Luxury.

Culture is second crucial concept of this research and well understanding of its nature is highly valuable for the reader. There are a lot of definitions of culture. Only Kroeber and Kluckhohn (1952) found 164 distinct definitions of culture (KROEBER & KLUCKHOHN, 1952). One of the first, Tylor defined it as “the complex whole, which includes knowledge, belief, art, morals, custom and any other capabilities and habit acquired by man as a member of society” (MCCORT & MALHOTRA, 1993). Culture is the collective programming of the mind, the interactive aggregate of common characteristics that influence a human's group response to the environment (HOFSTEDE, Culture's Consequences: International Differences in Work-Related Value, 1980). According to Koltko-Rivera (2004), all the definitions are streams that
essentially explore the same phenomenon but use different terminology and there are no substantive differences between constructs that have been researched in different subfields of anthropology, psychology, sociology, and management as “culture,” “value orientations,” “basic beliefs,” “schemas,” “philosophy of life,” “world outlook,” and many other names. The United Nations Educational, Scientific and Cultural Organization (UNESCO) described culture as follows: "culture should be regarded as the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs" (UNESCO). Culture consists in patterned ways of thinking, feeling and acting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values (KROEBER & KLUCKHOHN, 1952). The Anthropologist Geertz (1973) defined culture as a set of control mechanisms plans, recipes, rules, instructions (what computer engineers call program (MOOIJ, 1998)) for the governing of behavior (GEERTZ, 1973). According to Hofstede (2001), culture is: “the collective programming of the mind which distinguishes the members of one group or category of people from another.” As he showed on the onion diagram, differences and similarities of cultures have highly old historical roots (HOFSTEDE, Culture's consequences, 2001). Kluckhohn (1952) had a similar view that systems of values are the core element of culture (KROEBER & KLUCKHOHN, 1952). Culture change can be fast for the outer layers of the onion diagram, but the core value system remains the same ensuring of stability in culture patterns across many generations (HOFSTEDE, Culture's consequences, 2001).

Based on the analysis of the available definitions of culture, Taras (2009) has found that while the existing definitions vary greatly, there are several common elements present in virtually all of them. First, it is generally agreed that culture is a complex multi-level construct. It is often depicted using an “onion” diagram with basic assumptions and values representing the core of culture, and practices, symbols, and artifacts representing the outer layers of the construct. Second, culture is shared among individuals belonging to a group or society. Third, culture is formed over a relatively long period. Finally, culture is relatively stable. “To sum up, it has been recognized that culture is a multi-level, multi-facet construct. It has been generally agreed that culture is
distinctively different from personality or individual temporal states as it is a group phenomena” (TARAS, 2009). For the purpose of the current study, the working definition of culture is based on these common elements: according to Taras (2009), culture is a group's shared set of distinct basic assumptions, values, practices, and artifacts that are formed and retained over a long period of time (TARAS, 2009).

Based on these definitions of culture, it may be assumed that all interaction among members of different cultural groups involve interaction at all the levels including deep rooted cultural elements such as values, practices and assumptions. Intercultural interaction can occur also between a member of a cultural group and a medium of another cultural elements such as artifacts and practices. Example of such interaction may be an interaction between a foreign tourist and a traditional building or a traditional event like a marriage, that are felt and understood by foreigner through the lens of her own cultural system.

So, intercultural communications are communication among different cultural group members or among the members and different cultural mediums with involving all levels of their cultural systems.

Human cultural personality and cultural genesis are well-studied areas of science from angles of various disciplines.

There are a number of evidences of the impact of geography characteristics to the cultural genesis. Emergence of science in ancient Egypt was connected to the need for development of irrigation system for Agriculture, building pyramids, mummification of bodies in the desert climate. Also, the most widely accepted myth about the origin of man that describes the creation of man by the gods from the most common material in the area; in different cultures man is created from clay, soil, wood, coconut, bones of animals or of fish, etc. (ISHAKOVA, 2003). According to review that Lewens (2007) wrote for the Stanford Encyclopedia of Philosophy, in the biological realm we need detailed accounts of local environmental circumstances, species-specific physiology and anatomy, and so forth, to tell us what makes one organic variant fitter than another. Similarly, in the cultural realm we will need to look at local psychological dispositions to explain why some ideas are more likely to spread than others. So it may be inferred that the genesis of culture follows the same adaptation rules. The idea of transmission of cultural events to later generations is not new. Darwin (2004) did believe that learned in one generation
characteristics could be inherited in later generations. According to him, the process of inheritance was working by transmitting particles, called ‘gemmules’, produced throughout the body to offspring in the sex cells. Darwin (2004) claimed that gemmules hold characteristics specific to the body part that produces them.

“…if someone man in a tribe, more sagacious than the others, invented a new snare or weapon… the plainest self-interest, without the assistance of much reasoning power, would prompt the other members to imitate him; and all would have thus profit… If the new invention were a vital one, the tribe would increase in number, spread, and supplant other tribes…In a tribe thus rendered more numerous there would always be a rather greater chance of the birth of other superior and inventive members” (DARWIN, The Descent of Man, with an introduction by Adrian Desmond and James Moore, 1877/2004).

As early as 1855 Spencer (1855) also claimed the importance of “a Priori knowledge” (SPENCER, 1855). Later, Lorenz (1941/1982) did agree with him by seeing the Kantian a Priori from the point of view of evolutionary biology (LORENZ, 1982). Darwin’s explaining of Spencer’s view is also intriguing:

As the esteemed philosopher Herbert Spencer said, “I believe that the experiences of utility organized and consolidated through all past generations of the human race, have been producing corresponding modifications, which, by continued transmission and accumulation, have become in us certain faculties of moral intuition—certain emotions corresponding to right and wrong conduct, which have no apparent basis in the individual experience of utility.” (DARWIN, The Descent of Man, with an introduction by Adrian Desmond and James Moore, 1877/2004)

According to Stanford Encyclopedia of Philosophy, "cultural evolutionists agree that, at the level of the population, cumulative evolution requires that fitness-enhancing cultural traits are preserved in the offspring generation" (StanfordEncyclopediaPhilosophy). One of the most fundamental theories that historically shape the modern study of the social cognitive development is the theory of Russian scientist Lev Vigotsky. There are three domains in the theory of Vygotsky:

1. Evolutionary domain (how the humans emerged from its primate ancestors)
2. Domain of socio-cultural history (how civilized humans emerged from its primitive ancestors)


On this basis, it can be inferred that modern human has two parts of the personality. One of them is a scheme with which the human was born. This is inherited cultural basis, “National cultural value system” (HOFSTEDE U., 1999), that passes to next generations with DNA memory and stays in the field of unconscious. It is a matrix over which later individual experiences will be written. The second one is a scheme shaped by experiences during the human’s life. "National cultural value systems are quite stable over time; the element of national culture can survive amazingly long, being carried away forward from generation to generation. For example, countries that were once part of the Roman Empire still share some common value elements today, as opposed to countries without a Roman cultural heritage" (HOFSTEDE U., 1999). Thelen (2004) examined the structure of the national identity (NATID) scale in Russia across two different Russian age cohorts: Soviet Russians and contemporary Russians. Soviet Russians reached their "age of socialization" when the Soviet Union was intact, whereas contemporary Russians achieved their age of socialization during the Gorbachev and Yeltsin eras. The results indicate a lack of invariance across age cohorts in the relationship between all the sub constructs, with the exception of national heritage, and overall national identity (THELEN & HONEYCUTT, 2004). "No matter how hard man tries, it is impossible for him to divest himself of his own culture, for it has penetrated to the roots of his nervous system and determines how he perceives the world... People cannot act or interact at all in any meaningful way except through the medium of culture" (HALL, 1990). According to Hala (1997), in order to make sense of behavior, one should make reference to internal states such as beliefs, desires, intentions, emotions and perceptions. People act and react in ways that are connected to their internal states and traits (HALA, 1997).

As behavior and motivation are inter-related concepts, famous Maslow’s hierarchy of needs is very helpful in interpreting people’s and, particularly, homebuyers’ behavior.
Maslow


According to Maslow (1970), there are five levels of cognitive needs, including physiological, safety, belongingness - love, esteem needs, and the need for self-actualization. Gratifying these basic needs in equal measure leads to formation a perfect and healthy man, thwarting the response to these needs leads to psychopathological results. Maslow (1970) considered these basic needs as the origins of every humanistic issue (MASLOW, 1970). As soon as a certain needs are gratified people will aspire to go up to upper level of cognitive needs.

Zavei & Jusan (2012) argued that understanding these basic needs is also vital in the context of providing housing (ZAVEI & JUSAN, 2012). Several studies investigated link between Maslow’s hierarchy of needs and built environment. Israel (2003) used “Sociogram exercise” technique based on Maslow’s hierarchy of needs for drawing a map of a user’s childhood living spaces for identification of the character of a place from the users’ environmental roots and imagination (ISRAEL, 2003). However, the technique hardly may be applicable if the end users are not known such as in mass housing projects. McCray and Day (1977) suggested that user’s satisfaction in a house depends on economic or social status, which are higher psychological expectations but urban public housing units can only provide for the physiological needs of the residents (MACCRAY & DAY, 1977).

The questions raised might be why physiological needs come first and belonging needs come second; what are the mechanisms of their dominating in consumer behavior and how strong is their influence to consumer decision-making process? The answer would likely be found in cognitive biology and evolutionary brain development as this knowledge would allow a systematic understanding of customer brain’s architecture.
Culture developed parallel with evolutionary development of human brain, so a short historical outlook will contribute to better understanding of the cultural genesis.

**Evolution**

Evolutionary psychology is one of biological approach to study of human behavior. Evolutionary psychologists consider brain as a computer designed by natural selection, its every program is a result of adaptation that produced a behavior allowed our ancestors to survive. They believe, that every human behavior is best explained in terms of underlying psychological mechanisms that are adaptations. Switching research focus from programs run by brain to physical parts of brain gets the study to area of neurobiology, and allows understanding of evolutionary development of modern human brain. Bonding neurophysiology to psychology, every neuron, that is a physical particle of brain, has its cortical map that is a beginning of brain’s virtual area for running programs. The process of creating new traits is based on repetition. If two nearby neurons are being stimulated simultaneously for a certain time their cortical maps may become one. This phenomenon is called synaptic pruning. So, for evolutionary brain development our ancestors must be exposed to certain conditions for a long in evolution terms time. That was possible if, for example, they moved to a different geographical region. Historical outlook would be beneficial for our study of brain development. According to Darwin, all species have one ancestor and the same inheritance (DARWIN, The Descent of Man, London: Penguin, 1877/2004. , 2004). So the first species interesting for our study were species of Reptiles with R-complex, the best psychological mechanism of that period. R-complex had been developed as the most economic mechanism that allowed Reptiles to be the first dominant group in the world for many million years. It consisted of ready programs for solving some problems, so it wasn’t necessary to waste energy to solve a problem every time. There was always a ready algorithm. The most primitive possible human ancestor was Australopithecine with volume of brain less than 500 cc. Scientists assume that the changes in Australopithecine’s DNA were caused by radiation as a result of volcanic activity in East Africa 6 million years ago. In result, Australopithecine’s brain started to develop and the next step of evolution, the first recognizably human-like hominid Homo-Habilis with significantly larger volume of 600 cc had appeared 2.4 million years ago. Extra volume of Homo-
Habilis’ brain made possible start of evolving over old reptilian brain stem and cerebellum of another layer of the brain contained Amygdala and limbic system that allowed solutions of totally different tasks bonded to childcare. This part of the brain also is in charge of emotional expression. Modern brain still has these old parts in its structure. The first early human Homo-Erectus had a volume of brain about 1000 cubic centimetres, so it was ready for developing the most complex part of our brain, Neo-cortex. Also, according to paleoanthropologist Richard G. Klein, further brain development might start because of mutation of gene FOXP-2. “A change in brain function about 50,000 years ago could explain why modern Africans subsequently expanded to Eurasia” (KLEIN, 2003). So, the period when according to the most widely accepted “Out of Africa” Hypothesis, Homo-Erectus was spreading across the world, was the time of further developing of the Limbic part and evolving of Neo-cortex. It was a period when early human groups had to adapt to new environments, so their brain structures started to differ at the layers of still developing Limbic and newly evolving basic parts of Neo-cortex. Thus, brains of modern humans from different cultural groups start to differ at the layers of Limbic and deep Neo-cortex structures; and the older and deeper structures the stronger their influence to human behavior.

Neuroscientist McLean and his Triune Brain Theory is interesting for this study because it contains all three parts of the brain. Triune Brain concept represents brain’s hierarchical organization from the evolutionary point of view. According to the Theory, there are Protoreptilian, paleomammalian, neomammalian formations in our brain, so, our brain consists of three parts, oldest is R-complex, second is Emotional brain and the youngest is Neo-cortex. “The human psych encephalon has evolved and expanded to its great size while retaining the features of three basic evolutionary formations that reflect an ancestral relationship to reptiles, early mammals, and recent mammals. Radically different in structure and chemistry, and in evolutionary sense countless generations apart, the three formations constitute a hierarchy of three brains in one – a triune brain” (MACLEAN, 1982).

Reptilian brain or R-complex is made up mostly of the upper brain stem; and involved in instinctive and reflexive behaviors. Wrapped around this core Emotional brain consist of Limbic system structures and is responsible for emotion and motivation. It is involved mostly in parent–child emotional bond and prolonged care of youth. Neo-cortex, the outer part of the brain, is
responsible for mental functions such as rational thinking, analysis, language, learning and consciousness.

**Consumer behavior**

As Culture has strong influence on human life, it always was a popular topic of research.

According to Taras (2009), culture scholars from different fields tend to focus on different elements of culture. Traditionally, culture has been in the domain of anthropology and archaeology where it has been defined and studied, mainly qualitatively, with the emphasis on the external layers of culture such as artifacts, languages, and traditions. With an increase in immigration and the cross-border expansion of business, cross-cultural issues have also become salient to management, psychology, and education. Following the anthropological tradition, most of the early social science studies of culture were qualitative and also defined and studied culture by focusing on artifacts and traditions. Their scope was largely limited to descriptions of protocols, customs and the ways of doing business in certain societies. With the introduction of the early quantitative models of culture, the focus shifted from artifacts and cultural practices to cultural values and attitudes that presumably govern human behavior (TARAS, 2009). There are differences in the types of values and attitudes that are emphasized in different fields. For example, management scholars are mainly concerned with work-related values (e.g., (HOFSTEDE, Culture's Consequences: International Differences in Work-Related Value, 1980), their colleagues in sociology and social psychology compare cultures by attitudes to social and political issues (e.g., (INGLEHART, 2004), and psychologists call attention to cross-cultural differences in self-perception (e.g., (SINGELIS, 1994).

During about the last decade, studies used psychological tools for marketing research increased rapidly. The main object of marketing research is a consumer that is a human; so it is exceedingly natural to propose that the complete picture cannot be drawn without psychological approach added. “Any element of consumer behavior is filtered through cross-cultural lenses” (USUNIER & LEE, 2009). There is growing body of consumer behavior research with applying psychological approach; for example Gardner (1985) have found that mood states have direct and indirect effects on consumer behavior, evaluation, and
recall (GARDNER, 1985). According to Sojka and Tansuhaj (1995) and their twenty-year review of cross-cultural consumer research there were three approaches to operationalize culture: through language, through material goods/artifacts, and through beliefs/value systems (SOJKA & TANSUNAJ, 1995).

According to Dobscha and Foxman (2011), there is an impressive array of work in consumer research that employs mythology and/or archetypes to describe and explain consumer behavior e.g. (HIRSCHMAN, Heroes, Monsters, and Messiahs: Movies and Television as the Mythology of American Culture, 2000), (LEVY, 1981), (STERN, 1995), (THOMPSON & TIAN, 2008).

There are a lot of classification and sets of variables to measure the influence of culture on consumer behavior, but the most widely used approaches are Hall’s classification of high- and low-context cultures (WILLS, SAMLI, & JACOBS, 1991), (SAMLI, 1995), (MATTILA, 1999), (VANEVERDINGEN & WAARTS, 2003) and Hofstede's (1984, 1991, 2001) famous five dimensions: individualism/collectivism; uncertainty avoidance; power distance; masculinity–femininity and long-term orientation (MILNER & FODNESS, 1993), (SONDERGAARD, 1994), (ENGEL, 1995), (DAWAR, 1996), (SIVAKUMAR & NAKATA, 2001), (SHAMKARMAHESH, FORD, & LATOUR, 2003).

Because of culture’s complexity, it is difficult to precise define it. This difficulty hampers research about the influence of culture on international consumer behavior (MANRAI & MANRAI, 1996), (MCCORT & MALHOTRA, 1993), (CLARK, International marketing and national character: a review and proposal for an integrative theory, 1990), (NASIF, AL-DAEAJ, EBRAHIMI, & THIBODEAUX, 1991), (DAWAR, 1996), (LENARTOWICZ & ROTH, A framework for culture assessment, 1999). Broad and unclear concept of culture does not allow claiming any approach foolproof. “Culture is too global a concept to be meaningful as an explanatory variable” (VANDEVIJVER & LEUNG, 1997), (LEUNG, 1989), (SCHWARTZ, 1994), (BAGOZZI, 1994), (SAMIIE & JEONG, 1994).

"It would be a triumph of parsimony if many diverse cultural differences in decision making could be explained in terms of a single cultural disposition, such as individualism–collectivism. For this reason, the dispositional approach
has attracted many advocates. Yet, the existing evidence for the dispositional view falls short” (BRILEY, 2000).

**Homebuyers’ behavior**

In spite of wide acceptance of important cultural influence on consumer behavior, there are a relatively small number of studies focused on cultural factors of homebuyers’ behavior. However, dwelling choice is quite a good studied topic. “Dwelling choice is basically the result of the interrelation between the resources and preferences of households. This interaction does not take place in a vacuum but in a context of economic, demographic, and political structures” (VANKEMPEN, 2003).

According to Clark (1993), there are two ways of research on residential search and choice. One of them is a basic model of “search” provided by marketing and economics; another is a psychological model focused on choosing among alternatives (CLARK, Search and Choice in Urban Housing Markets, 1993).

Attempts of interfacing and comparing different approaches were made by Garling and Golledge (1993): “There are significant differences in understanding of consumer behavior in different scientific disciplines. They influence research methodology and analysis. The behavior-environment interface could be studied from two angles. In some disciplines, such as geography and economics, people’s behavior in a given environment tends to be seen from the outside. By contrast, in psychological research decision makers are viewed from the inside. The research is focused on the decision maker’s goals or values in a given environment” (GARLING, 1993).

There are a lot of studies conducted by engineers that investigated consumers dwelling choice, but almost all of them are focused on the tangible factors.

Lukmanova (2001) classified these factors as ergonomic, esthetic and economic; they are location, infrastructure, comfort, used building materials and individual projects, presence of shopping, entertainment and fitness centers, parking, (LUKMANOVA, 2001). The other Russian researcher Gusev (2003) combined the factors into three groups:

1. Technical – physical factors such as project, quality standards, esthetic and safety.
2. Organizational – quality control and service.


Veselov (2005) investigated the factors like building, city transfer and environment related (VESELOV, 2005).

Most of the previous studies investigated similar factors, for example, Kravtsova (2009) listed economic, ecologic and environmental factors as the most influential in consumers dwelling choice (KRAVTSOVA, 2009). Turkish researcher Karadag (2012) defined 9 factors that are affecting the choice of dwelling, namely, insulation systems and exterior decoration design, dwelling economy, heating systems, accessibility, security systems, social interaction, and dwellings plan (KARADAG, 2012).

Most of the studies conducted by sociologists are focused on demographic and socio-economic factors. For example, Wang (2004) investigated choice of dwelling and neighborhood of potential homebuyers in Beijing. Hedman (2011) studied the mechanisms behind the choice of neighborhood in Sweden. Grechko (2007) focused on ethnic, behavioral, demographic and socio-economic factors but mentioned ethnicity as unimportant (GRECHKO, 2007). Kazakova (2005) investigated such key factors as dwelling prices, customer paying capacity, purposes for buying. Also, she mentioned esthetic characteristic of dwelling as significant impact to dwelling choice (KAZAKOVA, 2005). Quigley (1985) analyzed "the housing choice based upon individual households and dwellings which also estimates the degree of independence of neighborhood and dwelling characteristics". He suggested, "Housing choice may be more sensitive to variations in workplace accessibility" (QUIGLEY, 1985).

There are a growing number of studies that emphasize insufficiency of socio-demographic characteristics alone for prediction the housing demand (JANSEN, 2012). Many researchers investigated deeper factors of consumers dwelling preferences. Kleinhans (2010) focused on the effect of home ownership on former tenants of social rented housing in the Netherlands. The central issue of his study was whether becoming a home owner increases one's sense of freedom and security in the home, one's sense of control over one's life, and one's self-esteem (KLEINHANS & ELSINGA, 2010). Erø (2006) presented a theory of residential choice based on lifestyle indicators. He defined the lifestyle approach as an additional tool to traditional socio-demographic differentiation by including aspects such as subjective patterns of orientation, preferences and
cultural affiliation. The main conclusion in this article based on a case study in Denmark was that disposition - personal tradition - strongly influences the choice of residence (ERO, 2006). Goetgeluk (2002) investigated the gap between models that measure 'castle in the air' and model that measure 'my house is my castle' (GOETGELUK, 2002).

As a centre of human life and a place of the highest comfort level dwelling has to be a stock of cultural attributes. Even if the modern diversity of dwelling components gives a feeling of the disappearing of the traditional home scheme, there are inherited cultural basics evolved through thousands of years as a fitness-enhancing home style for the certain cultural group. According to Rapoport (1969), the house is not just a structure, nor a shelter, but an institution influenced by the cultural milieu to which it belongs (RAPOPORT, House Form and Culture, 1969). Number of studies revealed the relations between housing preferences and culture. Most of all was conducted in US because of historically shaped multicultural environment. For example, Mendez (2005) pointed that building industry and government are required to provide a housing model supporting increasing multiculturalism (MENDEZ, 2005). Jabareen in his study revealed the relations between culture and housing preferences in Gaza City with empirical analysis. Based on 1,269 face-to-face interviews with adults in the city, this study concluded that housing preferences in Gaza were determined by components of culture (JABAREEN, 2005).

The official authority to shape the environment nowadays is given to the professional architects. They have the license to organize the form and structure of buildings that enable the carrying out certain functions according to needs of the occupants. So, the performance of built environment depends on the ability of the architects to make appropriate decisions regarding the needs of the end users. Architectural scientists in 80th made the first attempts of research on relation of human motivation factors to housing design but their several studies remained clearly insufficient. For example, Norberg-Schulz (1985) stressed inability of current houses to fully satisfy the needs of residents particularly in terms of figural quality and spatial images (NORBERG-SCHULZ, 1985). Bachelard (1994) mentioned a lack of meaningful forms in modern houses (BACHELARD, 1994). According to Rapoport (2000), culture is determinant of a user’s housing preferences and choices (RAPOPORT, Theory, culture and housing, 2000). Oliver (2006) either highlighted necessity of vernacular architecture that implicates local culture on housing design (OLIVER, Built to
meet needs: Cultural issues in vernacular architecture, 2006). Slight increase in number of studies in this area in last few years shows growing awareness in architectural community of importance of implication humans motivation factors in housing design. Jusan (2010) considered person-environment congruence (PEC) central in creating a sense of home (JUSAN, 2010). Zavei & Jusan investigated consequences of ignoring human motivational factors in housing provision and advised using Maslow’s hierarchy of needs in housing design process. The authors blamed modern life styles and related social facts for critical psychopathological consequence called “uprootedness” in result of the lack of attention to human motivations in the housing provision process. According to Zavei & Jusan (2012), house has become an economic product, and consideration of humanistic aspects of a living environment has gradually decreased (ZAVEI & JUSAN, 2012). The reasons and consequences of ignoring these factors in build environment design are shown below (Pic.1.3).

![Diagram](image.png)

Current situation on Russian housing market is a clear example of consumers’ dissatisfaction. Nowadays constructors in Russia with adopted at post-soviet years foreign construction technologies and standards have solved the cultural problem by selling housing without finishing, at the rough construction stage. According to Moscow Construction Company TopDom, most of new housing in Moscow is being sold as just rough supporting walls without any finishing (TopDom). As it was also pointed in Smartnews by Vlasova (2013), according to statistics, 81% of sold in Novosibirsk region new housing was sold as a rough construction (VLASOVA). Russian homebuyers’ preference of rough construction housing shows their dissatisfaction with finished standard housing offers.

Cultural meanings are imprinted in residential space, which is a set of fixed, semi-fixed and non-fixed features, by various building components.

1.2.7 Building components as an interest of Marketing

Building components such as windows, doors, furniture, carpets, curtains, balustrade, water closet, bathtub, ceramic are produced from row materials and used in building production. According to Rapoport (1981), they are included in fixed features and semi-fixed features of dwelling (RAPOPORT, Identity and environment: A cross-cultural perspective, 1981). The manufacturers have to diversify their production due to increased competition. The building components vary significantly according to customers’ preferences all over the world.

Constructors have practically unlimited opportunities for creation unique design patterns according to their customers’ preferences.

Since a home is a stock of cultural attributes in a human life, the building components play an important role in cultural value creation. Applying Rapoport’s three features approach, building components used either in decorative treatment and finishing of fixed features, that are considered as carriers of cultural meanings or they are semi-fixed features elements that print an identity of the occupier to the place. Indeed, many components have different design in different cultures. For example, Turkish water closet has an additional water pipe that allows it to work also as a bidet. It’s absence in European water closets causes important inconvenience for Turkish people abroad.
According to Kohli (1990), “The marketing concept requires firms to take a proactive attitude to do business and be responsive to customer needs and market changes” (KOHLI & JAWORSKI, 1990). Customer value in marketing was also pointed by Moloney (2005): The marketing concept is a business philosophy that centres on the importance of having a deep appreciation for the customer so that the marketer can match or exceed the needs of the intended market better than the competition and, as a result, provide the company with a continued competitive advantage in the market place (MOLONEY, FAHY, & MCALEER, 2005). The marketing concept reflects a customer philosophy that identifies consumer needs and integrates marketing activities with all functional areas in the organization to attain corporate goals by satisfying those needs (SPILLAN, 2006).

Since marketing philosophy centres on customer needs, the building components marketing is an important part of overall marketing strategy in construction industry. Size, shape, color, place and way of working may vary significantly across the cultures and play an important role in customer satisfaction. For example, Turkish people generally feel uncomfortable in the room with crowd furniture while Russians don’t prefer to live in the house with very few furniture that creates a feeling of big space in the room. Russians hardly prefer very big windows that give a feeling of poor heat insulation while Czechs love big windows due to feeling of fresh air and nature inside of the room.

Building components marketing thus is an important part of marketing in construction industry.

1.2.8 Summary and theoretical discussion

As a brief summary, the following observations and research suggestions have been made.

As it can be inferred from the literature review, most researchers like (JAWORSKI, 1993), (KIRCA, JAYACHANDRAN, & BEARDEN, 2005), (LANGERAK, 2003) agree that marketing is a complimentary business approach for improving company performance; only a handful of studies claimed marketing as useless and powerless (SCHULTZ, 2005), (SHETH & SISODIA, 2005).
The literature review indicates the necessity of marketing for construction firms (DIKMEN, 2005), (BON, 1992-1997), (PETTINGER, 1998), but its application in the construction industry is difficult due to its unique features (HARRIS, 2006). This suggests that there is a deficiency in marketing applications within construction firms, and; therefore, Easy applicable approach is needed.

Because of migration, it is difficult to find a place without migrants in the world, and all big cities became multicultural metropolises. Migrants place significant demands on services, particularly on services associated with housing. Since migrants populations increase every year, this demand is forecasted to put an important pressure on governments and building industry companies to modify the methods and models of creating new sites and suburbs, to develop innovative housing models that support new cultural needs. Multiculturalism leads to the new segment of housing market. It is important either for international or domestic companies related to construction market. Every company interested in capitalizing on this new lucrative market should recognize the housing, particularly cultural preferences and develop the new marketing strategy accordingly. Moreover, the fact, that ignoring humanistic factors in build environment has psychopathological consequence called “uprootedness”, carries this problem up to the level of government. Thus, the need for dwelling cultural preferences research emerges (Pic. 1.3).

In spite of a growing body of consumers dwelling choice studies, most of them investigate technical characteristics of residence such as construction materials used, heating system, security and parking and apply quantitative methods.

However, there is an agreement among researchers about the strong cultural influences, which affect consumer behavior (USUNIER & LEE, 2009), (THOMPSON & TIAN, 2008), (HIRSCHMAN, Heroes, Monsters, and Messiahs: Movies and Television as the Mythology of American Culture, 2000). A number of dwelling choice studies emphasize the importance of cultural factors (see, for example, (JANSEN, 2012), (HEDMAN, VANHAM, & MANLEY, 2011 ), (WANG & LI, 2004); few studies have been conducted in USA to explore relationships between cultural background and housing preferences and satisfaction (LEE & PARROTT, Cultural Background and Housing Satisfaction, 2004), (LEE & PARK, Perceived Cultural Housing Differences and Residential Satisfaction: A Case Study of Korean Sojourners,
2012); but there is a clear deficiency of previous cultural research in the field of consumers dwelling choice in EU and particularly, across Czech Republic, Turkey and Russia.

However, current situation on housing markets is a clear example of consumers’ dissatisfaction. Nowadays constructors in Russia with adopted at post-soviet years foreign construction technologies and standards have solved the cultural problem by selling housing without finishing, at the rough construction stage. According to Moscow Construction Company TopDom, most of new housing in Moscow is being sold as just rough supporting walls without any finishing (TopDom).

As it was also pointed in Smartnews by Vlasova (2013), according to statistics, 81% of sold in Novosibirsk region new housing was sold as a rough construction (VLASOVA). Consumers’ preference of rough construction housing shows their dissatisfaction with finished standard housing offers.

According to CZSO, in Czech Republic in 2011, 17060 from 27235 total housing construction started and 17385 from 28630 total housing construction ended was family houses construction. It clear shows the preference of traditional family houses with garden and greenery. In contrast, just 25% of people in Moscow and St. Petersburg prefer family houses (CottagesStroy).

There are some differences in housing preferences across the cultural groups that hardly can be explained from technical point of view (Table 1.2) but look very natural in cultural terms.

<table>
<thead>
<tr>
<th></th>
<th>Czech Rep.</th>
<th>Turkey</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Garden</td>
<td>As big and natural as possible</td>
<td>Mess as less as possible: more concrete, stones and less ground</td>
<td>More practical: vegetables and fruits</td>
</tr>
<tr>
<td>Windows</td>
<td>As big as possible to make a feeling of being outside</td>
<td>As big as possible for providing more light</td>
<td>Quite small and thick to keep warm</td>
</tr>
<tr>
<td>WC</td>
<td>Big with windows</td>
<td>Without windows or with small windows</td>
<td>Small with small windows to keep warm</td>
</tr>
</tbody>
</table>
Carpets: On the ground, closet is with additional water pipe

Wall interior design: Natural materials: brick, wood, wallpaper, natural colors

Painting: antiseptic colors

Warm colors

Source: Author’s elaboration (2013)

Picture 1.4 schematically explains the situation on the housing market:

Source: Author’s elaboration (2013)

Drawing a frame of the research, Construction Industry Communications can be basically shown as following:
Housing product, as a product of highly fragmented and long-term oriented Construction Industry, cannot be changed rapidly. Straight policies, certification and accreditation requirements make the Industry very conservative.

The official authority to shape the environment nowadays is given to the professional architects. They have the license to organize the form and structure of buildings that enable the carrying out certain functions according to needs of the occupants. So, the performance of built environment depends on the ability of the architects to make appropriate decisions regarding the needs of the end users. Also, every member of the system scheme has different impact level to the housing product, the highest impact to the housing product is at the Architect level; sociologic, legislative and technologic factors are the main influences to the product. Less impact has the Constructor; it may be just technologic limitations. House sellers and house buyers have just indirect impact to the housing product through Sociologic factors at the Architect level. So, the communications scheme can be expanded by factors influencing the end-housing product (Picture 1.6).

Returning to Schumpeter’s Theory, innovations could influence the end-housing product in two point of the scheme above: Architect (influence at the stage of project, global changes) and House seller (minor changes of ready housing).
The System House seller & House buyer is of greatest interest to Marketing, that is customer oriented activity, so this House seller & House buyer System and its indirect communications and influences to the other members of the Construction Industry scheme, limit the scope of current research. Further narrowing the scope by research sample, three countries with close but different relationships to EU were added to the System as an experimental laboratory for predicting possible patterns and consumer behavior in EU. So, the research centres on the following System House seller & House buyer (Picture 1.7).

Understanding of homebuyers’ behavior is the key to a competitive marketing strategy within the House seller & House buyer System. Housing choice process consists of matching housing product available on housing market by potential homebuyer. Matching process works like a filter keeping out products without certain set of characteristics. Picture 1.8 shows schematically the housing choice process.

*Source: Author’s elaboration (2013)*

**Picture 1.6: Factors influencing the end-housing product in Construction Industry Communication scheme.**
As behavior and motivation are inter-related concepts, famous Maslow’s
hierarchy of needs is very helpful in interpreting people’s and, particularly, homebuyers’ behavior.

Three levels of residential space, suggested by previous studies, correspond to levels of Maslow’s pyramid structure which can be simplified to three levels as physiological needs, safety and belonging needs and esteem and self-actualization needs. Indeed, while shelter provides just place for sleep and eat, house, as a place for life spending additionally has to provide safety and functionality for routine chores. Home, as a symbol of owner’s success, represents owner’s ID and social status.

Also, it would be interesting to relate three biological formations in human’s brain, which are evolutionary periods representatives according to McLean’s Triune Brain Theory, to layers of needs in Maslow’s pyramid and types of residential space. Indeed, humans had different needs at different periods of evolution. For example, Homo Habilis hardly had a need for a big complex cave, basic shelter was enough for him; similarly, Homo Erectus didn’t need a creative decorated home but a safe big cave was all he needed for accommodation of all members of the tribe (family). Just Homo Sapience has a need for home decoration and self-expression, Homo Erectus and Homo Habilis didn’t have a brain part evolved enough to be able to do it.

Placing Kotler’s 4 P’s and 5 M’s into the table for every market segment would be interesting from the angle of marketing. Using 4 Ps instead 5 Ps seems to be more useful at the current development stage of service orientation in Construction and Housing sectors.

Table 1.3 shows correspondence of Maslow’s pyramid structure to biological formations in human’s brain, which are evolutionary periods representatives, and to levels of residential space, related to market segments.

**Table 1.3: Model Maslow-McLean-Kotler in housing**

<table>
<thead>
<tr>
<th>Levels of cognitive needs</th>
<th>Parts of Brain with period of evolving</th>
<th>Levels of residential space</th>
<th>Market segment</th>
<th>Marketing Mix 4P and 5M</th>
</tr>
</thead>
</table>

60
<table>
<thead>
<tr>
<th>1</th>
<th>Neo-cortex</th>
<th>Home:</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thinking, analysis, learning</td>
<td>Symbol of success</td>
<td>High income families and singles (~20% of population)</td>
<td></td>
</tr>
<tr>
<td>400,000 years ago</td>
<td>Abstract ID (Luxury, Elite renovation)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homo Sapience</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2</th>
<th>Emotional Brain (Limbic system)</th>
<th>House:</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotion and motivation; child care</td>
<td>Comfort, practice</td>
<td>Low and middle income families (~60% of population)</td>
<td></td>
</tr>
<tr>
<td>1.9 million years ago</td>
<td>Family wellbeing (Western-style, Cosmetic renovation)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homo Erectus</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th>R-complex (upper brain stern)</th>
<th>Dwelling (Shelter):</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reflects and instincts; survival</td>
<td>Survival necessity (Studio, Standard)</td>
<td>Homeless, lowest income families and singles (~20% of population)</td>
<td></td>
</tr>
<tr>
<td>2.4 million years ago</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homo Habilis</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Author’s elaboration (2013)*
As an inference from the table, Shelter, as a basic physiological need, has its roots in the oldest and deepest brain layer that accounts for the strongest influence on human behavior and home choice particularly. Once this need becomes relatively satisfied, the next levels needs, House and, later, Home, start to emerge gradually. Their influence powers, however, are less than Shelter’s influence power; and relate to brain layer’s depth they are rooted in.

The question raised is: if culture is the main determinant of people’s housing preferences is it possible to identify a different housing preferences structure based on Maslow’s pyramid for different cultural groups, for example, Czech, Turkish and Russian? It would be helpful in identifying operable definitions in architectural design and marketing strategy within the working House seller & House buyer scheme. This knowledge either would contribute to government’s attempts to develop policies ensured build environment to be more human oriented with respect to end users cultural needs; that will result in decreasing psychopathological problems like “uprootedness” and creating satisfied and healthy population.

As a conclusion, more qualitative dwelling choice cultural research is needed especially across Czech Republic, Turkey and Russia.

Based on the conclusions and observations research questions were raised, the methodology was claimed, and this research was designed and conducted.
2. RESEARCH GOALS AND HYPOTHESES

2.1 Goals of the dissertation work

The main goal of this dissertation work following from the House seller & House buyer System (Picture 1.4) is elaboration of the methodological recommendations with applying of intercultural marketing tools for the main members of the System for more successful carrying out of economic relationships between them and, in the scale of macroeconomic, for their successful innovative investment leading to overall economic surge.

The secondary goals arising from the main one are:

(1) Elaboration of basic marketing conceptions for products widely used for interior design in dwelling production in construction industry, such as furniture and basic materials as the elements of differentiation of marketing mixes for different cultural market segments in intercultural marketing; and for marketing in dwelling purchasing process with emphasis on the high value of communications in highly fragmented Construction Industry, especially in multicultural environment;

(2) Establishment of the preferred cultural variables influencing consumer dwelling and product choice that might be used as a basis for market segmentation in intercultural marketing for the sample of three cultural groups namely, Czech Republic, Turkey and Russia;

(3) Establishment of the existence (or otherwise) of a positive relationship between one’s ethnicity and the preferred housing style.

This dissertation aims to accomplish the following objectives:

The first of all the objectives were to analyse culture and to identify some of cultural differences in dwelling preferences among three target cultural groups; and the second, through empirical research, it was hoped to establish some of cultural variables that have an influence to dwelling choice in these three target cultural groups, namely, Czech, Turkish and Russian.

Core objectives of solving this dissertation work will result firstly, in the methodological recommendations for successful carrying out of economic relationships between the main members of the House seller & House buyer System; and secondly, in already established some of cultural variables
influencing dwelling decision making process in three target cultural groups and therefore in EU.

The result of this dissertation work will be interesting and important for the following categories of users:

1. Companies in building industry oriented on dwelling, such as construction companies, building components suppliers, dealers (real estate agencies), developers (architecture and engineering companies), consulting institutions: understanding the culture of the target market would enable the managers to carry out their jobs more effectively.

2. Universities and academic community: because of in-depth interview approach used, the present study provides interesting insights into respondents perceptions during their dwelling decision making process that contributes to the scientific literature and contains potential for future, related research.

3. Customers as end product users: practical application of the results will increase the quality of the housing product and thus will save either the money or efforts on redesign and even rebuilding.

4. Media: the results would enable the producers to increase efficiency of advertisements and advertising companies.

5. Government bodies and policy makers: developing more precise housing policies.

6. Management of multicultural companies: creating a workspace according to requirements of workers from different cultural groups.

### 2.2 Hypotheses of the dissertation work

On the basis of conducted at the first stage of study qualitative research of cultural dwelling preferences in specified cultural groups and obtained evidence toward the categories W (Wood), G (Garden), Y (Yellow), B (Big House), L (Light-Well/White), F (Simple Furniture), S (Small House), O (Oven), C (Warm Colours), the following hypotheses of the dissertation work for testing quantitatively were formulated:

\[ H_0: \text{“The distribution of } W, G, Y, B, L, F, S, O, C \text{ is the same across categories of races.”} \]

\[ H_1: \text{“The distribution of } W, G, Y \text{ is significantly different across categories of races with the highest values for the Czech group.”} \]

---

1 W (Wood), G (Garden), Y (Yellow), B (Big House), L (Light-Well/White), F (Simple Furniture), S (Small House), O (Oven), C (Warm Colours)
**H2:** “The distribution of B, L, F is significantly different across categories of races with the highest values for the Turkish group.”

**H3:** “The distribution of S, O, C is significantly different across categories of races with the highest values for the Russian group.”

The solution of the second stage of the dissertation work was a confirmation of the stated hypotheses. Presented hypotheses are related both to the main goal and supporting aims of the dissertation work. Confirmation or refutation of these hypotheses was essential for determining conclusion of the dissertation work.

---

2 W (Wood), G (Garden), Y (Yellow)
3 B (Big House), L (Light-Well/White), F (Simple Furniture)
4 S (Small House), O (Oven), C (Warm Colours)
3. METHODOLOGY OF RESEARCH

The stages of solving the dissertation work are shown at the following Picture 3.1:

![Diagram of Methodology]

*Picture 3.1: Stages of solving the dissertation work*

*Source: Author’s elaboration, 2013*
The main aim of this chapter is explaining the research methodology that has been applied to this study. Particularly, epistemological position will be explored and research philosophy will be adapted; approach, strategy and methods will be indicated and justified. In addition, some strengths and limitations of the research settings that have affected choices during the initial phase of designing of this study will be mentioned.

The Picture 3.2 provides a scheme of synopsis system for ease of understanding of the research area.

Picture 3.2: Synopsis system of area of the research

Source: Author’s elaboration, 2013
The methodology of this research was divided into two main fields: 1) The data collection and 2) The data elaboration with logical tools.

1) The data collection consisted of: a) Primary data collection and b) Secondary data collection. The primary data was collected using In-depth interviews in the first stage of the research and Image-based questionnaires in the second stage. The secondary data was collected using information sources such as scientific databases and official statistical portals.

2) The data elaboration with logical tools consisted of: a) The analysis of the primary data and b) The analysis of the secondary data collected. The primary data analysis in the first stage of the research was extracting of categories and core categories for three cultural groups investigated using three cycles of coding of the transcribed interviews; and according to the found categories, formulating of the hypotheses and elaboration of their testing instrument. The primary data analysis in the second stage, namely, image-based questionnaire responses analysis, was mathematic statistics method utilisation using SPSS software for the hypotheses testing.

The primary and secondary data analysis included: a) contents and systems analysis with deductions and descriptive analysis of the field and context of the research, namely, literature review and investigated countries’ basic characteristics elaboration; b) classification analysis for the identification of respondents and the research findings and recommendations users; c) synthesis for formulation of recommendations; d) used graphical and schematically methods suitability.

### 3.1 Overall Purpose and Research Questions

This study addresses cultural variables that influence consumers dwelling decision-making process in EU. The purpose of this Grounded Theory Exploratory Mixed methods design is elaboration of the methodological recommendations with using of intercultural marketing tools for the main members of the House seller & House buyer System for more successful carrying out of economic relationships between them and, in the scale of macroeconomic, for their successful innovative investment leading to overall economic surge. Hence, developing of an instrument based on participants’ views; and testing of hypotheses formulated according to results of the qualitative stage of the research.

EU is multicultural system with rapidly increasing migration. An ethnic composition of member states changes so quickly that it is almost impossible to
keep the databases up to date continuously. Looking to EU through the lens of broader audience can give deeper insights to processes inside of EU and some ability to forecast. One current EU member - Czech Republic; one country in the process of becoming EU member – Turkey; and one non-EU member with great amount of migrants to EU - Russia were chosen as such a broader experimental laboratory for EU.

On the purpose of this study the following questions were raised.

- Is there a difference in consumers’ dwelling preferences in different cultural groups related to EU, for example, Czech Republic, Turkey and Russia?
- What are the main patterns of dwelling preferences in each of target groups?

Basic information regarding these three target country is given for each country separately.

### 3.2 Czech Republic

**Geographical aspect**

Czech Republic is situated in Central Europe, between Germany, Poland, Slovakia, and Austria. It is one of the most significant trades and military routes between north and central Europe. Its geographic coordinates are 49 45 N, 15 30 E. Its area is 78,867 sq. km

Border countries: Austria 362 km, Germany 815 km, Poland 615 km, Slovakia 197 km (CIA).

**Economic aspect**

The Czech economy was significantly influenced by central planning economy, which had been in the Czech Republic (former Czechoslovakia) until the beginning of 1990s. After the “Velvet revolution” in 1989, the Czech Republic started to transform from central planning economy to free market economy. The beginning of 1990s was disorganized. Companies owned by the state became private, but not all new private owners were able to manage their company effectively and afterwards the companies became bankrupts. During the 1990s, the most successful companies started to strengthen their positions on the market. After the year 2000, the Czech economy started to develop very fast. According to Nation Master Economy overview, now the Czech Republic is a stable and prosperous market economy, which harmonized its laws and regulations with those of the EU prior to its EU accession in 2004 (NationMaster). "While the conservative, inward-looking Czech financial system has remained relatively healthy, the small, open, export-driven Czech economy remains sensitive to changes in the economic performance of its main
export markets, especially Germany. When Western Europe and Germany fell into recession in late 2008, demand for Czech goods plunged, leading to double-digit drops in industrial production and exports. As a result, real GDP fell 4.7% in 2009, with most of the decline occurring during the first quarter. Real GDP, however, has slowly recovered with positive quarter-on-quarter growth starting in the second half of 2009 and continuing throughout 2011" (CIA).

**Social aspect**

The largest ethnic group in Czech Republic is Czech group.

<table>
<thead>
<tr>
<th>Table 3.1: <em>Ethnic composition of Czech Republic (2001 census)</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnic groups</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Czech</td>
</tr>
<tr>
<td>Slovak</td>
</tr>
<tr>
<td>Others</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

*Source: Author's elaboration, 2013*

Languages used are Czech 94.9%, Slovak 2%, other 2.3%, unidentified 0.8% (2001 census).

Religions are Roman Catholic 26.8%, Protestant 2.1%, other 3.3%, unspecified 8.8%, unaffiliated 59% (2001 census).

Population is 10,177,300 (July 2012)

Czech Republic is a country that quite attractive for immigrants, the following picture shows the top migrant nationalities in Czech Republic (Pic. 3.3).

**Housing market**

According to Global Property Guide, evolving of the Czech housing market was anticipated due to EU entry in 2004, from 1998 to 2003 the Czech Republic house price index rose 64% Housing prices rose dramatically: apartment block prices increased by 118%, individual apartments by 91%, single family houses by 58%. The government had to restrict non-Czech residents from buying property for a 7 years transition period, i.e., until 2009. The restriction caused the housing market stagnation from 2004 to 2005. The recovering was started when interest rates fell in 2006. There was a large increase in construction from the 27,300 annual completions from 1998 to 2006 to 41,649 units in 2007 (Table 3.2). The overall house price index skyrocketed 31.3% in 2007. This situation was continued till 2009 global financial crisis and then the average price of flats fell 14.4%. Today the Czech housing market remains in dire shape,
because of the oversupply of newly built apartments, and low consumer and investor confidence (GlobalPropertyGuide).

![Inflows of top 10 nationalities as a % of total inflows of foreigners](image)

**Picture 3.3: Top migrant nationalities in CR**

*Source: OECD, (http://stats.oecd.org)*

**Table 3.2: Construction of dwellings in Czech Republic 1993-2010**

![Construction of dwellings chart](image)

*Source: CZSO, 2011 (www.czso.cz)*

According to CZSO (JERABEK, 2013), Prague registered companies statistics at 30.06.2013 are as followings:

4. Real estate agencies (CZ-NACE 68.31): 7156.

In conclusion, the Czech Republic’s residential market is still depressed due to on-going Euro zone debt crises, but overall economic situation is quite good in comparison with other EU members, so, it may be proposed that post-crisis Czech residential market has good growing potential.

3.3 Turkey

Geographical aspect
Turkey is situated in South-eastern Europe and South-western Asia, bordering the Black Sea, from Bulgaria to Georgia, and bordering the Aegean Sea and the Mediterranean Sea, from Greece to Syria. Its geographic coordinates are 39 00 N, 35 00 E. Its area is 783,562 sq. km

Border countries: Armenia 268 km, Azerbaijan 9 km, Bulgaria 240 km, Georgia 252 km, Greece 206 km, Iran 499 km, Iraq 352 km, Syria 822 km, Coastline is 7200 km

(CIA)

Economic aspect
According to Forbes country report, Turkey's largely free-market economy is increasingly driven by its industry and service sectors, although its traditional agriculture sector still accounts for about 25% of employment. An aggressive privatization program has reduced state involvement in basic industry, banking, transport, and communication, and an emerging cadre of middle-class entrepreneurs is adding dynamism to the economy and expanding production beyond the traditional textiles and clothing sectors. The automotive, construction, and electronics industries are rising in importance and have surpassed textiles within Turkey's export mix. Oil began to flow through the Baku-Tbilisi-Ceyhan pipeline in May 2006, marking a major milestone that will bring up to 1 million barrels per day from the Caspian to market. Several gas pipelines projects also are moving forward to help transport Central Asian gas to Europe through Turkey, which over the long term will help address Turkey's dependence on imported oil and gas to meet 97% of its energy needs. After Turkey had experienced a severe financial crisis in 2001, Ankara adopted financial and fiscal reforms as part of an IMF program. The reforms strengthened the country's economic fundamentals and ushered in an era of strong growth - averaging more than 6% annually until 2008. Global economic conditions and tighter fiscal policy caused GDP to contract in 2009, but Turkey's well-regulated financial markets and banking system helped the
country weather the global financial crisis and GDP rebounded strongly to 8.2% in 2010 as exports returned to normal levels following the recession. Turkey's public sector debt to GDP ratio has fallen to roughly 40%. Continued strong growth has pushed inflation to the 8% level, however, and worsened an already high current account deficit. Turkey remains dependent on often volatile, short-term investment to finance its large trade deficit. The stock value of FDI stood at $99 billion at year-end 2011. Inflows have slowed considerably in light of continuing economic turmoil in Europe, the source of much of Turkey's FDI. Further economic and judicial reforms and prospective EU membership are expected to boost Turkey's attractiveness to foreign investors. However, Turkey's relatively high current account deficit, uncertainty related to monetary policy-making, and political turmoil within Turkey's neighbourhood leave the economy vulnerable to destabilizing shifts in investor confidence (Forbes, Information for the World's Business). As it can be inferred from the report above, Turkey has strong economic fundamentals and well-regulated financial market and banking system that ensure its economic stability.

**Social aspect**

Ethnic groups are Turkish 70-75%, Kurdish 18%, other minorities 7-12% (2008)

<table>
<thead>
<tr>
<th>Ethnic groups</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkish</td>
<td>75%</td>
</tr>
<tr>
<td>Kurdish</td>
<td>18%</td>
</tr>
<tr>
<td>Others</td>
<td>7%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Author’s elaboration, 2013*

Languages used are Turkish (official), Kurdish, other minority languages. Religions are Muslim 99.8% (mostly Sunni), other 0.2% (mostly Christians and Jews). Population is 79,749,461 (July 2012)

Numbers of foreigners migrate to Turkey every year; Picture 3.4 demonstrates the top nationalities of the migrants.

**Housing market**

Although the last global economic crises caused deep recession in Europe, the real estate markets in emerging markets like Turkey and Russia still have a significant grows. As it was pointed by Turkish House Real Estate, while house prices and demand all over Europe experienced decreasing, according to TurkStat statistics the number of apartment units sold in Turkey in the second quarter of 2011 increased by 18% compared with the same period of 2010,
which shows that the country has huge growth potential in the real estate sector (TurkishHouseRealEstate).

![Inflows of top 10 nationalities as a % of total inflows of foreigners]

**Picture 3.4: Top migrant nationalities in Turkey**

*Source: OECD, (http://stats.oecd.org)*

According to General Directorate of Land Registry and Cadastre (GDLRC) house sales were as the following:

**Table 3.4: House sales in Turkey and Istanbul**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>607098</td>
<td>708275</td>
<td>701621</td>
</tr>
<tr>
<td>Istanbul</td>
<td>153897</td>
<td>169015</td>
<td>167110</td>
</tr>
</tbody>
</table>

*Source: Author’s elaboration, 2013*

Different surveys and publications such as the “Emerging Trends in Real Estate Europe”, prepared jointly by PricewaterhouseCoopers (PWC) and the Urban Land Institute (ULI), show how global and local interest in the Turkish real estate sector has increased. According to the 2012 publication of the report, Istanbul is ranked as the most attractive investment market in Europe in the “Existing Property Performance”, “New Property Acquisitions”, and “Development Prospects” categories, followed by Munich, Warsaw, Berlin, and Stockholm (PricewaterhouseCoopers). Meanwhile, Turkey ranks as the 3rd most attractive real estate investment destination among the emerging countries in 2012, according to a survey conducted by the Association of Foreign Investors in Real Estate (AFIRE). The amendments to the Land Registry Law,
the Mortgage Law, and the redrafting of tax laws are also designed to improve the competitiveness of the Turkish real estate sector (TurkishHouseRealEstate). Changes in legislation about a decade ago allowed foreigners to buy property, also created mortgage market. In year 2000, the mortgage markets of Turkey began to grown in volume rapidly as a result of improvements in Turkish economies and the changes of loan policies of commercial banks.

According to official Turkish trade register newspaper; the most popular established business activity was construction of dwelling and non-dwelling buildings: 13.03% (Gazetesi, 2013). Also, the most cooperatives established during the first five months in 2013 were dwelling construction cooperatives: 205 (Gazetesi, 2013). Statistics of companies in Construction market in Istanbul are as the following.

1. Construction companies: 18329
2. Furniture producers: 5904
3. Design companies: 1236
4. Architecture & Engineering companies: 1398
5. Construction suppliers: 570
6. Real estate companies: 1450

(IstanbulFirmaRehberi), (WebRehberi), (MilliyetEmlak), (IstePortal)

According to official Investment Support and Promotion Agency of Turkey, "Considering the recent development in sales and regarding the growth potential of the sector, it can be expected that the Turkish property market will enter another improvement phase after the full recovery of the economy. Key factors behind the growth potential of the real estate market can be listed as follows; - A large number of low quality houses will be replaced by new ones or are expected to be demolished. This also puts pressure on housing supply. - The mortgage loan system is recently introduced in Turkey and has huge growth potential - The immature retail market brings significant growth prospects for retail property. - Houses that are illegally constructed will be demolished which will directly reduce the supply" (InvestmentSupportPromotionAgencyTurkey). Based on all mentioned above, it may be concluded that Turkish real estate market with its significant growth potential is truly attractive for investors.

3.4 Russia

Geographical aspect

Russia is situated in North Asia between Europe and the North Pacific Ocean; it is also bordering the Arctic Ocean. It is the world's largest country; despite its
size, much of the country has soils and climates insufficient for agriculture. Its geographic coordinates are 60 00 N, 100 00 E. Its area is 17,098,242 sq. km

Border countries: Azerbaijan 284 km, Belarus 959 km, China (southeast) 3605 km, China (south) 40 km, Estonia 290 km, Finland 1313 km, Georgia 723 km, Kazakhstan 6846 km, North Korea 17.5 km, Latvia 292 km, Lithuania (Kaliningrad Oblast) 227 km, Mongolia 3441 km, Norway 196 km, Poland (Kaliningrad Oblast) 432 km, Ukraine 1,576 km Coastline is 37,653 km (Maps.com).

Economic aspect
According to Forbes country report,

Russia has undergone significant changes since the collapse of the Soviet Union, moving from a globally isolated, centrally planned economy to a more market-based and globally integrated economy. Economic reforms in the 1990s privatized most industry, with notable exceptions in the energy and defence-related sectors. The protection of property rights is still weak, and the private sector remains subject to heavy state interference. Russian industry is primarily split between globally competitive commodity producers. In 2011, Russia became the world's leading oil producer, surpassing Saudi Arabia; Russia is the second-largest producer of natural gas; Russia holds the world's largest natural gas reserves, the second-largest coal reserves, and the eighth-largest crude oil reserves. Russia is the third-largest exporter of both steel and primary aluminium. Other less competitive heavy industries remain dependent on the Russian domestic market. Russia's reliance on commodity exports makes it vulnerable to boom and bust cycles that follow the highly volatile swings in global commodity prices. The government since 2007 has embarked on an ambitious program to reduce this dependency and build up the country's high technology sectors, but with few results so far. The economy had averaged 7% growth in the decade following the 1998 Russian financial crisis, resulting in a doubling of real disposable incomes and the emergence of a middle class. The Russian economy, however, was one of the hardest hit by the 2008-09 global economic crisis as oil prices plummeted and the foreign credits that Russian banks and firms relied on dried up. According to the World Bank the government's anti-crisis package in 2008-09 amounted to roughly 6.7% of GDP. The Central Bank of Russia spent one-third of its $600 billion international reserves, the world's third largest, in late 2008 to slow the devaluation of the RUB. The government also devoted $200 billion in a rescue plan to increase liquidity in the banking sector and aid Russian firms unable to roll over large foreign debts coming due. The economic decline bottomed out in mid-2009, and the economy began to grow in the third quarter of 2009. However, a severe drought and fires in central Russia reduced agricultural output, prompting a ban on grain exports for part of the year, and slowed growth in other sectors such as
High oil prices buoyed Russian growth in 2011 and helped Russia reduce the budget deficit inherited from the lean years of 2008-09. Russia has reduced unemployment since 2009 and has made progress on reducing inflation since 2010. Russia's long-term challenges include a shrinking workforce, a high level of corruption, difficulty in accessing capital for smaller, non-energy companies, and poor infrastructure in need of large investments (Forbes, Russia - Information for the World Business). As it can be inferred from the Forbes report, Russia is a quite stable economy with the world's largest natural sources reserves. Although last political crisis bounded to the Ukrainian situation caused economic problems, a half-a-million wave of Ukrainian migrants increased housing demand and economic surge in construction industry.

**Social aspect**

Ethnic groups are Russian 79.8%, Tatar 3.8%, Ukrainian 2%, Bashkir 1.2%, Chuvash 1.1%, other or unspecified 12.1% (2002 census)

<table>
<thead>
<tr>
<th>Ethnic groups</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russian</td>
<td>79.8%</td>
</tr>
<tr>
<td>Tatar</td>
<td>3.8%</td>
</tr>
<tr>
<td>Ukrainian</td>
<td>2%</td>
</tr>
<tr>
<td>Bashkir</td>
<td>1.2%</td>
</tr>
<tr>
<td>Chuvash</td>
<td>1.1%</td>
</tr>
<tr>
<td>Others</td>
<td>12.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Source: Author’s elaboration, 2013*

Languages used are Russian (official), many minority languages

Religions are Russian Orthodox 15-20%, Muslim 10-15%, other Christian 2% (2006) Russia has a large number of non-believers as a heritage of seven decades of USSR.

Population is 142,517,670 (2012)

Russia is very popular for migrants from the former Soviet blog countries; top of them is shown at the Picture 3.5.

**Housing market**

Post-Soviet Russian real estate market passed through some unique stages. Similar to other transition economies, construction fell sharply in Russia during the late 1990s. Most Russians lived in aging Soviet-era housing stock, particularly outside the main cities. As it can be inferred from Tables 3.6 and
3.7, Russia had a massive housing boom from 2000 to 2007, with secondary market prices skyrocketing by 436% while primary market prices rose 362% (GlobalPropertyGuide).

![Inflows of top 10 nationalities as a % of total inflows of foreigners](image)

**Picture 3.5: Top migrant nationalities in Russia**

*Source: OECD, (http://stats.oecd.org)*

**Table 3.6: House prices in Russia changing during the housing boom.**

<table>
<thead>
<tr>
<th></th>
<th>SECONDARY MARKET</th>
<th>PRIMARY MARKET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CHANGE IN HOUSE PRICE (%)</td>
<td>CHANGE IN HOUSE PRICE (%)</td>
</tr>
<tr>
<td>RUSSIA</td>
<td>435.8</td>
<td>20.6</td>
</tr>
<tr>
<td>Central FD</td>
<td>589.3</td>
<td>12.2</td>
</tr>
<tr>
<td>Northwestern FD</td>
<td>391.8</td>
<td>21.1</td>
</tr>
<tr>
<td>Southern FD</td>
<td>337.9</td>
<td>34.2</td>
</tr>
<tr>
<td>Far Eastern FD</td>
<td>410.1</td>
<td>30.4</td>
</tr>
<tr>
<td>Urals FD</td>
<td>486.7</td>
<td>20.9</td>
</tr>
</tbody>
</table>
Over the past four years, the Russian real estate market has evolved from a seller’s market (pre-crisis) into a government market (in crisis years 2009-10) and ultimately into a buyer’s market (2011 and beyond).

<table>
<thead>
<tr>
<th>Siberian FD</th>
<th>567.3</th>
<th>41.4</th>
<th>7.0</th>
<th>592.7</th>
<th>34.9</th>
<th>7.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volga FD</td>
<td>419.7</td>
<td>24.7</td>
<td>7.1</td>
<td>400.5</td>
<td>29.9</td>
<td>7.1</td>
</tr>
</tbody>
</table>

Source: Rosstat, 2011 (www.gks.ru)

Changes occurred in the real estate market paradigm: consumers became more demanding and are prepared to invest only in high-quality objects while the market clearly lacks them. "One of the priorities of the Medvedev government was to move its citizens from apartment blocks to single-family homes. Over 77% of the country’s 142 million citizens now live in apartments. To realize this “Russian Dream” housing program, the government has bought about 2.5 million acres of land. In 2012, 20 million sq. m. of housing are expected to be under construction. This is about 30% of all residential construction in the country" (GlobalPropertyGuide). Last time there is a change in quality of property demanded. The quality of projects continues to be a priority for many developers, and the share of high quality projects continues to grow among all real estate sectors (JonesLangLasalle). Also, there is an important improvement in the mortgage market. Prime Minister Vladimir Putin has pledged to lower mortgage interest rates and down payments. In 2006, laws underpinning mortgage-backed securities were introduced, allowing banks to refinance housing loans for the first time. The state has now promised to
provide financial aid totalling US$8.3 billion (RUB 250 billion) to commercial banks to facilitate housing loans (GlobalPropertyGuide).

In Moscow, Real estate is the second popular business activity after trade and vehicle repair; construction is the third one (Table 3.8). Also, according to Rosstat, construction companies have the highest establishment rate in comparison with other business activities in Moscow: 48.9 per 1000 companies.

Table 3.8: Numbers of registered companies in Moscow

<table>
<thead>
<tr>
<th>Number of registered in Moscow companies (June 1, 2013)</th>
<th>Total</th>
<th>Construction</th>
<th>Real estate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1276454</td>
<td>99138</td>
<td>248561</td>
<td></td>
</tr>
</tbody>
</table>

Source: Rosstat

(moscow.gks.ru/wps/wcm/connect/rosstat_ts/moscow/ru/statistics/accounting/)

In conclusion, Russian real estate market has an enormous growing potential and thus, is truly attractive for foreign and domestic investors. Last half-a-million migration wave from Ukraine caused a surge in housing demand.

3.5 Macroeconomic Indicators

For the ease of comparative analysis the main macrroeconomics indicators are shown all together in Tables 3.9, 3.10 and 3.11.

Table 3.9: GDP (billions 2011 US dollars)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>272.8</td>
<td>280.3</td>
<td>285</td>
</tr>
<tr>
<td>Turkey</td>
<td>908</td>
<td>991.2</td>
<td>1075</td>
</tr>
<tr>
<td>Russia</td>
<td>2191</td>
<td>2285</td>
<td>2383</td>
</tr>
</tbody>
</table>

Source: Author’s elaboration, 2013

Table 3.10: GDP per capita (2011 US dollars)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>26100</td>
<td>26700</td>
<td>27100</td>
</tr>
<tr>
<td>Turkey</td>
<td>12600</td>
<td>13600</td>
<td>14400</td>
</tr>
<tr>
<td>Russia</td>
<td>15400</td>
<td>16000</td>
<td>17600</td>
</tr>
</tbody>
</table>

Source: Author’s elaboration, 2013
Table 3.11: GDP by sector (2011)

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Czech Republic</th>
<th>Turkey</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>60.2%</td>
<td>63%</td>
<td>58.6%</td>
</tr>
<tr>
<td>Industry</td>
<td>38%</td>
<td>27.9%</td>
<td>36.9%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1.8%</td>
<td>9.1%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Author’s elaboration, 2013

3.6 Conclusions

Although the last economic and political crises affected all three countries, their economies are quite stable. Housing market forecasts are positive; promising governments programs, increasing demand and purchasing power are good signs of recovering. Despite of last political crisis bounded to the Ukrainian situation that caused economic problems, a half-a-million wave of Ukrainian migrants increased housing demand and economic surge in Russian construction industry.

Migration statistics show an increasing inflows and outflows in all three country. Situation with increasing migration allows forecasts of changing in cultural landscapes of many countries especially in EU that is a main destination for migrants from all over the world. Migrants get with them their cultures. “Migrating people come from diverse cultural backgrounds, with already formed cultural identities” (BHUGRA & BECKER, 2005). Early literature on immigrant adaptation and assimilation argued that immigrant groups were expected to discard their old way of life and become completely melted into the mainstream one (HIRSCHMAN, KASINITZ, & DEWIND, Immigrant Adaptation, Assimilation, and Incorporation. The Handbook of International Migration, 1999). The fallacy of this approach is the best described by psychiatrist Bhugra (2005): “Migration is a complex process, involving a heterogeneity of causes, experiences, cultural adjustment and stages, that influence the mental health of migrants. The stresses of the migration process itself combined with a lack of social support, …and a lack of access to proper housing can lead to poor self-esteem, an inability to adjust, and poor physical and mental health. Cultural bereavement may be minimized if the immigrant is able to maintain ties to the culture of origin” (BHUGRA & BECKER, 2005).

One of the most important cultural institutes is home. That’s why it is very important for well being of whole society to provide appropriate housing models for migrants. The current situation is that migrants are forced to live in housing developed according to preferences of different cultural group.
Foreign migrants population growth places significant demands on services and especially on housing related services. These demands will pressure governments and industry to modify the methods of developing cities and suburbs. This situation increases importance and need for cultural research generally and for this current study particularly; and allows adding more potential users of the research findings from countries with inflow of Czech, Turkish and Russian migrants.

3.7 Epistemology and Methodology of Research

Forming the epistemological orientation of this study allowed the decision whether the entities are objective or subjective.

This study investigates a complicated topic, which entails evolutionary formed cultural inheritance that influence, many personal and internal aspects such as beliefs, emotions, behaviours and feelings. Since the cultural matrix stays in the collective unconsciousness and cannot be defined institutionally, reality should be regarded subjectively to reflect aspects that are rooted deeply (BERGER, 1966). This subjective position declares that the issues studied cannot be regarded objectively and require more depth rather than breadth of research. Since cultural inheritance of certain cultural group, evolutionary formed during thousands of years, stays in collective unconsciousness, there is a single reality for each cultural group. This reality includes common beliefs, artefacts, and norms that influence personal aspects of the cultural group members. On the other hand, every cultural group has its own cultural inheritance and thus its own reality. Hence, the study environment is regarded as one of multiple realities (SAUNDERS, LEWIS, & THORNHILL, 2007). The dilemma that has informed choice of appropriate methodological structure is that the study investigates new issues in a new field of study. Actually, we know a lot about consumption markets but this specific B2C market is a niche in current body of published literature. As this study aims to investigate cultural factors in dwelling choice in Czech Republic, Turkey and Russia where there is a clear deficiency of previous research on certain cultural variables of consumers dwelling choice, Czech, Turkish and Russian environments are considered a new entry to the consumers cultural dwelling preferences research. It was extremely hard to find any published study on cultural meaning of Home in consumers dwelling choice bonded to the construction industry in Czech Republic, Turkey and Russia during the review of related literature for this study. Due to the high level of vagueness about cultural issues in consumers dwelling choice this study was conducted under a methodological structure which allows for gaining a deep understanding of and insight into the culture –
dwelling choice linkage in the target cultural groups. Based on the assumption that none of the research methods is superior (CRESWELL, 2007) and intention to use both qualitative and quantitative approaches in the study either Positivism or Interpretivism paradigms underlie behind the methodology (CROTTY, 1998). Since the aim of the qualitative part of the research is to develop an instrument, a deep understanding of people views is needed. In this phase, just Interpretivism paradigm allows for required depth and gives the opportunity to achieve the objectives of this phase. On the other hand, the second part aims to test quantitatively a hypothesis drown from the results of the first part. The paradigm underlying is obviously Positivism with Objective epistemological stance. Based on discussion above, the research methodology employed in this study can be declared.

The first phase of this Grounded Theory Exploratory Mixed methods study is a qualitative exploration of cultural meanings of home in target cultures by collecting interview data from samples of 24 Czech, 17 Turkish and 12 Russian participants. Statements from this qualitative data were used for generating of the hypothesis and were developed into an instrument for its testing over sufficient Czech, Turkish and Russian samples in different cities of target countries. The reason for collecting qualitative data initially is that based on the Literature Review there is neither existing taxonomy about home cultural meaning that influences dwelling choice in target countries nor an instrument for its testing so, they need to be developed based on the qualitative views of participants. The second stage is quantitative testing of hypotheses developed at the first stage of the study based on participants’ views. The instrument is image-based questionnaire. Photographs used in the instrument are chosen based on categories emerged during the Focused coding cycle.

3.8 Methodological justification

Epistemology of the first stage of the study is Subjective and regards the subjective interpretation as valid data. The research philosophy in the first stage is Interpretivism; so, the data collection depends on participants’ interpretation and conclusions depend on the researcher’s interpretation of the data. Grounded Theory was chosen as a method, which fits with Research Questions and Purpose of Research. As Grounded Theory is appropriate in scarcity of previous knowledge in field, it should be mentioned that whereas we actually know a lot about consumption markets, we know a very little about this specific B2C market. The research philosophy in the second phase is Positivism with Objective epistemological stance; so, quantitative data is collected and analysed in order to test the hypothesis. Data collection method is a questionnaire that fits
with the Purpose of Research. Mixed Methods Exploratory design has been chosen as a suitable research strategy, which fits with these methodological settings. Methodological justification is based on a few points, which are the nature of the phenomenon, the research objectives, lack of theory and the new field of study. The phenomenon is complicated and relates to individual perceptions of the participants. Study should get deeper insights of participants’ feelings. Interpretivism allows for gaining the desired deep understanding of such a research situation related to cultural meaning of home – dwelling choice relationship (GRIX, 2001) (SAUNDERS, LEWIS, & THORNHILL, 2007). The research objectives reflect the exploratory nature that requires in-depth understanding of complex issues about culture and meaning of home in the first phase of the research. This in-depth investigation requires relatively small samples; such research characteristics are linked to subjective inquiry and qualitative methodologies (CROTTY, 1998). In the second phase, hypothesis testing requires bigger samples and is linked to quantitative methodologies (CRESWELL, 2007). In the most cases, dwelling choice researches were conducted with using quantitative methodologies. Deeper insights and greater diversity in data collection are needed. Through a literature review, photo-elicitation technique was selected as an effective method for gathering data on conceptions of customers’ cultural dwelling preferences at the second phase of the research. Photographs chosen based on categories emerged after Focused coding cycle of the transcribed interviews were inserted into a questionnaire. There is a vast major of studies emphasized the benefits of using photographs in data gaining process. Photo-elicitation has a long history either as its own form of inquiry or as a form of inquiry embedded broadly within ethnographic work (BECKER, Photography and sociology, 1974) (PROSSER, Imaged-based research, 1998). Photo-elicitation has been used as a central technique for ethnographic and cultural studies. For example, Stewart (2004) used photo-elicitation to study community-based meanings and how they are reflected in local environments and events (STEWART, LIEBERT, & LARKIN, 2004). According to Kellehear (1993), Prosser (1998) and Weiser (1983), images can serve as signifiers of culture, highlighting values and expectations of individuals as well as groups. Research incorporating images can, therefore, provide valuable information regarding the cultural reality of the community studied. Photographs do not need a translation, so, this method is perfect for intercultural research (KELLEHEAR, 1993), (PROSSER, Imaged-based research, 1998), (WEISER, 1983). Indeed, various studies suggest using visual methods in research with groups to avoid cultural misunderstandings and misrepresentations (ALLDRED, 1998), (BLACKBERD, 2007), (LARSON, 1999), (YOUNG & BARRETT, 2001). As Walker (1993) argues, photography ‘touches on the limitations of language, especially language used for descriptive purposes’ (WALKER, Finding a Silent Voice for the Researcher: Using Photographs in Evaluation and Research, 1993). According to Harper (2002),
The difference between interviews using images and text, and interviews using words alone lies in the ways we respond to these two forms of symbolic representation. This has a physical basis: the parts of the brain that process visual information are evolutionarily older than the parts that process verbal information. Thus, images evoke deeper elements of human consciousness that do words; exchanges based on words alone utilize less of the brain’s capacity than do exchanges in which the brain is processing images as well as words. These may be some of the reasons the photo elicitation interview seems like not simply an interview process that elicits more information, but rather one that evokes a different kind of information” (HARPER, 2002). For the participant, using visual “statements” can be less stressful than responding to only questions (NORMAN, 1991). When combined with other data sources, image-based research can improve qualitative research (PROSSER, What constitutes and image-based qualitative methodology?, 1996). "Photographs may lead an individual to a new view of their social existence. It is also possible to use images as bridges between worlds that are more culturally distinct” (HARPER, 2002). “Using multiple forms of representation, such as visual, written, and spoken forms, can increase knowledge about people’s conceptions” (TAYLOR, 2002). Based on the literature review, benefits of using image based method include 1) reduction of translation related biases, 2) access to deeper elements of human consciousness through images as compared to words, 3) an ability to reveal people’s experiences and 4) an ability to investigate how people understand the context of dwelling.

Chosen methodological approach is different from one used in majority of general economic research but with respect to approach dominating in cultural housing literature in USA. Most of found cultural housing studies in USA used combination of in-depth interviews with various questionnaires. Researchers in other countries used just one of these methods in their studies mentioned limitation and necessity for Mixed Methods’ usage (LEE & PARROTT, Cultural Background and Housing Satisfaction, 2004).

4. RESEARCH AND FINDINGS

The main aim of this chapter is introducing the research to the reader. The first three sections give the information regarding the research administration. The findings of the first phase of the study are presented through both participants’ views and the researcher’s interpretations of these views; and the findings of the second phase of the study are introduced in the rest part of this chapter.
4.1 Research Sample

The research was conducted in Turkey, Czech Republic and Russia. Samples of research are three cultural groups: Turkish, Czech and Russian. At the first phase of study for the purpose of the aim of the research interview participants were selected by using Purposeful Multiple-case sampling. The regions for the participant selection were chosen by criteria of accessibility. As the researcher lived in Bursa (Turkey), Noginsk (Russia) and Zlin (Czech Republic), in-depth interview respondents were selected from these cities. Participants were chosen by criteria of belonging to certain cultural group (for example being native Turkish), house ownership and having an experience of changing a house. Number of participants was chosen to be able to “give confidence in the analytic generalization” (MILES & HUBERMAN, 1994). The samples are 17 Turkish, 26 Czech and 12 Russians homeowners experienced at least one house changing with an age range from 17 to 80. At the second phase of the study, the questionnaires were sent to customers from customer databases of three real estate companies situated in three biggest cities of investigated countries: Prague, Istanbul and Moscow.

4.2 Sampling justification

Multiple-case sampling fits the methodological settings because it gives confidence in the emerging analytic generalization. “We can strengthen the precision, the validity, and the stability of the findings. We are following a replication strategy” (YIN, 2011). “The Multiple-case sampling gives us confidence that our emerging theory is generic because we have seen it work out” (MILES & HUBERMAN, 1994). Size of the sample was selected in order to reach the aims of the research phases. At the first stage small sample was chosen for the purpose of in-depth understanding of the phenomenon. In-depth interviews allow gaining very rich and complex data. “There are too many data to scan visually and too many permutations to account for. The price (of large sample) is usually thinner data” (MILES & HUBERMAN, 1994). "The qualitative researcher identifies a small number that will provide in-depth information about each person. The larger number of people, the less the amount of detail typically emerging from any one individual – and a key idea of qualitative research is to provide detailed views of individuals and the specific context in which they hold these views. Typically, when cases are reported, a small number is used, such as 4 to 10" (CRESWELL, 2007). "Qualitative researchers usually work with small samples of people, nested in their context
and studied in-depth – unlike quantitative researchers, who aim for larger numbers of context-stripped cases and seek statistical significance" (MILES & HUBERMAN, 1994). Large sample at the second stage of the research was chosen in order to be statistically significant. "In quantitative research, the intent of sampling individuals is to choose individuals that are representative of a population so that the results can be generalized to a population" (CRESWELL, 2007). Since this study investigates cultural elements of dwelling choice, the hypothesis should be tested over the population of real estate company customers because of their common characteristics namely, home owning and fresh experience of dwelling choice. It is impossible to include all real estate companies’ customers in three countries into the testing sample due to time and financial limitations; so, it was decided to select among the companies from one city of each country that may be considered to be representative of the whole country population of real estate customers. For the purpose of this intercultural research, the sample selection should be made from regions of target countries chosen on the basis of ethnic composition. If the regions chosen were to be representative of country population in general, then they would have to reflect national ethnic patterns. Also, the chosen regions should have a significant construction activity. After statistical data investigation, three capitals were found to be suitable for the final sample selection. The reasons were the amount of dwelling construction in comparison to other regions (Pictures 4.1, 4.2, 4.3) and the similarity of ethnic compositions (Pictures 4.4, 4.5, 4.6).

![Picture 4.1: Dwelling construction in Central Russia (January-November 2012)](Source:FSSS,2012)
(www.gks.ru/wps/wcm/connect/rosstat/rosstatsite.eng/figures/construction)
Picture 4.2: *Dwelling construction in Turkey’s regions in 2011*


Picture 4.3: *Dwelling completed in Czech Republic during 1.1-31.10.2012*

Picture 4.4: Ethnic compositions of Russia and Moscow.

Source: World Geo, 2012 (www.worldgeo.ru/russia/lists/?id=33&code=77)

Source: World Geo, 2012 (www.worldgeo.ru/russia/lists/?id=33&code=77)
The ethnic composition of Turkey

- Turkish: 76%
- Kurdish: 15%
- Others: 9%

The ethnic composition of Istanbul

- Turkish: 80%
- Kurdish: 15%
- Others: 5%

Picture 4.5: Ethnic compositions of Turkey and Istanbul.

Source: KONDA, 2012 (www.konda.com.tr)
The next step was to select sampling populations of homeowners. Logically, the best fitted to this research group are customers of construction companies, but in terms of representativeness of the certain region, customers of a Real Estate companies were decided to be an appropriate sampling population because Real Estate companies often work with more than one construction company, and thus, have larger distribution area. The next stage was to select appropriate Real Estate company. The main selection criterion was to have a wide network of branches equally distributed in the selected region. After
market analysis of Real Estate companies in target regions, the most suitable companies were selected.

1. Moscow, Russia. During market analysis, INCOM Real Estate Company was selected as appropriate for the sampling. INCOM-Real Estate has the largest chain of branches in Moscow comparing to other real estate companies: over 40 offices. These branches are equally distributed all over the city (Picture 4.7). Moreover, INCOM Real Estate website is the most popular among the biggest real estate companies in Moscow (Picture 4.8). "Every second deal in the Moscow real estate market is assisted by professionals of INCOM Real Estate. According to expert judgments, the Company share in the organized market of real estate services at the beginning of the 1st quarter 2011 exceeded 30%, 50% in the market of countryside real estate operations, and 50% in the rental market" (INCOM).

![Distribution of INCOM branches in Moscow](www.incom.ru)
2. Istanbul, Turkey. According to market analysis, the widest branch network in Istanbul has TURYAP Real Estate (Picture 4.9). 181 its branches are situated in every district of Istanbul (TURYAP).

3. Prague, Czech Republic. According to market analysis, REMAX Real Estate has the widest office network in Prague (Picture 4.10). REMAX offices
distributed equal in all Prague districts from Praha 1 to Praha 10. REMAX is the most well-known brand with the largest market share in the Czech Republic (REMAX).

![Branches of top Real Estate companies in Prague.](image)

**Source:** Author’s elaboration, 2013

Eventually, there were chosen three companies for the final sample selection, namely, INCOM with its 40 offices, TURYAP with its 181 offices and REMAX with its 30 offices. The next step was to calculate the appropriate sample size. It was decided to use sample size formula for a population-based survey suggested by Magnani (1997). According to Magnani, there are three determinates: (i) the estimated prevalence of the variable of interest, (ii) the desired level of confidence and (iii) the acceptable margin of error; so, the formula for a simple random sample design is:

\[
    n = \frac{t^2 p(1-p)}{m^2}
\]

**Equation 4-1**

- \( n \) = required sample size
- \( t \) = confidence level at 95% (standard value of 1.96)
- \( p \) = estimated prevalence
- \( m \) = margin of error at 5% (standard value of 0.05) (MAGNANI, 1997).

Based on pilot analysis, pattern differences inside each pilot group did not exceed 20% so, \( p=0.2 \).
The minimum sample size has been calculated using Equation (4.1) as 246 for each company.

It was decided to select 7 customers in each INCOM branch; therefore total sample size was $7 \times 40 = 280$.

TURYAP has 181 branches. These branches are extremely close to each other in some areas of Istanbul. In order to decrease the number of branches for sampling, the branches at these areas were picked up using Excel random numbers generator. The number of TURYAP branches was decreased to 130, and total sample size was $2 \times 130 = 260$.

Total sample size for REMIX was $9 \times 30 = 270$.

The selection of customers within each branch database was based on Excel random numbers. Each branch was contacted by email and/or phone and asked to send the questionnaire to n-th customer from the list in alphabetic order. The total number of questionnaires sent was 810.

### 4.3 Instrument and procedures

Instrument of the first stage of research is semi-structured in-depth interview because of its flexibility and providing more detailed, deeper insights of participants' feelings and thus more relevant information. Informal and relaxed atmosphere during semi-structured interviews allowed participants to be as open as possible, thus increased the validity of the data gained. Instrument of the second stage of research is image-based questionnaire.

#### 4.3.1 The first stage. In-depth interviews.

In order to reach the Aim of research, semi-structured in-depth interviews were conducted with 17 Turkish, 26 Czech and 12 Russians using Purposeful Multiple-case sampling techniques. Participants were from different backgrounds with an age range from 17 to 80. All of them had their own house and experienced at least one house changing. Each interview lasted at least one hour. Number of the interviews depended on the researcher’s ability to find out a strong common pattern.

The first set of interviews was conducted in Bursa/Turkey.

The second set of interviews was conducted in Zlin/Czech Republic.

The third set of interviews was conducted in Moscow/Russia.
For the higher reliability of results, the following unified interview protocol has been developed for all culture groups. Questions for the interview are as the following:

- The ideal home (what home the participant want to live in? more details about it (plan, odours, colours))

- Childhood memories (the strongest something s/he remember first, may be positive or negative, some experience about home). Justification of this question bases on the assumption that early childhood experiences have truly valuable influence to human character and behaviour. The significance of the earliest childhood memories was emphasized in a number of medical and psychological studies (BRUHN, 1990), (ARNTZ, 1999)

- More details about the childhood home (plan, odours, colours)

Conducting the interview:

- A voice recorder has been used during the interview

- Main points, participant’s age, sex, education level and occupation have been written after the interview in MS Word.

During the interview, the most attention has been paid to the following:

- Something necessary for survival that might be developed in past generations as a product of an adaptation (justification is based on the nature of cultural inheritance discussed in Literature Review chapter);

- Early childhood memories.

Ethical considerations

At the first part of each interview, an interviewer gave all necessary information about research aims, anonymity and security of all private data.

4.3.2 The second stage. Questionnaire design and administration

Questionnaire consisted of two parts:

1. Personal variables that included sex, age and nationality. Participants were asked to write their exact age, sex and, the most necessary, their nationality.
2. 16 images of home design were chosen according to categories emerged during Focused cycle of coding in the first phase of the research. Images were coded according to categories namely, WOOD (W), GARDEN (G), YELLOW (Y), BIG HOUSE (B), WHITE AND LIGHT-WELL (L), SIMPLE FURNITURE (F), SMALL HOUSE (S), OVEN (O), WARM COLORS (C). Each image was coded by a few of these categories paying attention of the
volume existed. If the image had high volume of a certain category, coefficient \( k=2 \) was used. For example, if the image had high volume of \( W \), normal volume of \( Y \) and high volume of \( O \), it was coded as \( 2W, Y, 2O \). All the decisions about categories and encoding of the images were taken in the first phase of the research under Subjective epistemological stance with regarding the subjective interpretation as valid data. The images were coded as shown in Table 4.5. Participants were asked to choose the images that gave them a feeling of comfort, tranquillity, happiness that they liked so much that were ready to move there. Totals of similar codes of chosen images were entered to SPSS dataset for future statistical analysing.

**Questionnaire response rate**

Response rate is highly serious because it is in close relationship with validity of the findings. Thus, the following rate increasing strategies were employed.

1. **Gaining respondent interest**

   According to Chisnall (1992), the response rate increases if the person to whom the questionnaire is sent is interested in the subject of the survey (CHISNAL, 1992). Respondents from the target samples already had at least one time passed through the process of dwelling choice and home buying, so they were likely to have some degree of interest in the research subject. Explanations of the purpose of research in the beginning were enough for gaining respondents interest and increasing the response rate.

2. **Prior notification**

   Prior telephone notification tends to increase the response rate significantly (SWIFT, Languages as a Facet of Distance in UK Firms' Interactions with the Spanish Market. Unpublished Msc Dissertation , 1989). On the other hand, there is a danger of instant refusal of participating. The prior telephone notification before the questionnaire email was applied when the telephone information was available.

3. **Follow up Non-Response**

   If the response had not been received within a few days, respondents were reminded by email or telephone if available. About 50% of all respondents required an email or telephone reminder; some required two or three such reminders.

**Piloting the Questionnaire**

This questionnaire was tested at a number of stages amongst a number of different people allowing the researcher to alter, add, or delete images used. While testing, the participants were asked also to identify which image best fits
to the certain category, for example, SMALL. Draft questionnaire was piloted by email amongst the researcher’s colleagues and friends in Turkey, Czech Republic and Russia and their comments and suggestions were incorporated into a revised version.

**Respondent Contact Procedure**

Target samples were customers of three Real Estate companies in Moscow, Istanbul and Prague. Each of these companies had its own customers database that included customer’s name, age, email address, address and phone number. For security reasons and in respect to customers private life the working scheme of contact procedure was agreed as following. The researcher sent the questionnaire to the company authority that sent it to customers’ emails. Responses were sent back to the researcher as numerical sets that consisted of age, sex, nationality and numbers of chosen images. Overall numbers of questionnaires sent / returned were as followings.

1. Russia: 280/276
2. Turkey: 260/254
3. Czech: 270/256

**Questionnaire Response Rate (Findings)**

Questionnaires were sent total to 810 email addresses. Delivery of 17 was failed. Replies were received from 786 respondents; 11 of these questionnaires returned had to be discounted because of different nationality of respondents. Taking the sample size as 810 customers email addresses, with usable responses received from 775 of these customers; this gives a response rate of 95.7%. However, a response rate of questionnaires really delivered to respondents is 97.7%.

**4.3.3 Data analysis**

This is mixed methods exploratory design study with first qualitative and second quantitative phases.

At the first phase, all recorded interviews were transcribed into MS document. All transcripts were coded in three cycles: In-Vivo, Focused and Theoretical coding. Concepts were coded even if they appeared in different forms but meant similarly enough (Table 4.2, 4.3, 4.4). The coding was conducted manually writing down concept occurrences. Other irrelevant information was ignored (ÖZDEMIR, 2011). After the third cycle of coding, core categories for each group were found. In the second phase data was coded, and recorded on hand-
written spreadsheets. Once these had been completed, the data was then entered onto the SPSS statistical package dataset in preparation for analysis. The data was checked for inaccuracies twice - once when the data was put onto the hand-written spreadsheets and again when the data was put onto the SPSS dataset. The next step was the data analysing process: a non-parametric analysis Kruskal-Wallis test was undertaken, and is reported in the next chapters.

4.4 Findings of the Qualitative Stage of the Research

4.4.1 Participants’ views

Subjective philosophical position allowed gaining the data that could provide insights not available to objective philosophical oriented researchers; also, it allowed developing hypothesis testing instrument. For example, some respondents changed their initial answers during the interview or replaced them with deeper thoughts: Turkish woman, 52 years old, initially described the most significant factor as “Comfort” but later explained that she feels comfort because of absence of crowded furniture in the house, its simplicity.

Themes have emerged from the collected data through three cycles of the coding process that have narrowed the data to one core category. The core category could emerge through the researcher’s understanding of what means home for participants. The follow three core categories have emerged from the researcher’s understanding of subjects’ interpretations. The core category for Czech group is Nature, for Turkish group is Cleanliness and for Russian group is Heat. During the first cycle In-Vivo coding all transcribed interviews was narrowed to words, sentences or paragraphs related to issues investigated. During this process, significant convergence inside each group and clear divergence among three groups’ answers were found. Czech respondents very often used concepts of Garden and Greenery. All of them mentioned garden with strong positive emphasis, sometimes with nostalgia but always bonded their ideal house to garden. 30 years old man: “I am missing fresh air in the morning when I open a window, trees and the garden which is situated beside the house of my parents. … I prefer living in a house; near a house small garden…you can enjoy your garden. …To the parent’s house and my childhood house, there belong also big garden and orchard of fruit trees…So that the air was fresh, and it smells like natural country air.” 46 years old woman: “My ideal home should be a little house with a huge garden. There is a small garden with flowers in front of a house. I used to play with my friends in the wood or at the nature. … We had a lot of fruits trees in the garden, so we always had fresh home fruit. My mother had also vegetables like carrots, potatoes, tomatoes and so on, in the garden. We used to spend time together in the garden playing, eating sweets or just talking.” 50 years old woman: “We live in the country. We
have a large old house. The house includes a large garden. I'm truly satisfied with this house, and I do not want to change.” 46 years old woman: “My best place is in our garden. I love nature, flowers and gardening.” 51 years old woman: “My home (ideal, author) is a yellow, medium-sized, detached house where should be at least two health children playing in the garden.” 55 years old woman: “The advantage of living in a village garden, which gives us a place to rest, and in particular our backyard with a swing and garden furniture, where in summer we can drink coffee or have lunch. I would certainly also like the garden (in ideal home, author) full of flowers and ornamental trees.” 42 years old woman: “We have a quite large house; it has light yellow colour. It has about fourteen rooms and large garden. The first thing I remember is our beautiful garden. My mother loves flowers, so she had the most beautiful garden from all of the neighbours. We had new flowers in vase in the kitchen every day, and our entire house smelt of flowers.” 56 years old man: “We live in a semi-detached house with a decent garden… I spend most of my time in the garden working… our garden looks very good I think. It is highly awesome to have breakfast in summer at pergola; sun is shining; it is all so nice and relaxing. At the front yard, there are a lot of flowers. Now in winter you cannot see their beauty, but when you see them in spring, it is a symphony of colours that are playing there.” 67 years old woman: “We also have a friendly garden surrounding the house… On the terrace it would have a lot of flowers.” 53 years old woman: “I remember laughing in the garden with grandmother.”

In contrast, Garden is not necessary for Turkish participants; it is even undesirable due to bugs. They prefer a large balcony. 32 years old woman: “It (Garden-author) is not highly significant for me; I have mentioned that I do not like messy bugs…Balcony is very valuable for aeration.” 50 years old man: “Big house without a garden” 45 years old man: “I like flowers, but I hate flowers that peel and rub-off.”

Just one Russian participant (47 years old woman) mentioned Garden in the answer, but she said that preferred to stay at apartment: “I prefer the apartment; it is more comfortable for me. I have a fear, winter night time is extremely long, when you are along in such a large house… it influences my mood”. Instead of Garden all Russian participants widely used the concept of warmness. They linked it to the concept of protection against coldness. Woman, 47: “(what the first thing coming to your mind about home?)…something warm…winter you must be more closed…there was a small window and when I turned off lights I watched snowing and fell asleep…summer you are outside, but winter you are
always inside…I think my house is ideal for me, it is not too large” Woman, 57: “It was a little warm house”

Woman, 80: “oven, large Russian oven, old, huge…some of us were sleeping on the oven; it was very nice and warm. Most of all I loved to sleep on the oven; we were sleeping there with my sister. It is truly warm there. “ Man, 60: “It was small but highly comfortable…There was an oven in the big one…Outer entrance hall is used to keep the house warm…imagine oven and loft…imagine a Russian oven; wooden loft (a bunk) was built at a same height at a 1 meter distance from it. It was high because it is warmer there; so, my first memory is jumping from oven to loft and back with my friends…there was not oven, that time almost everybody destroyed ovens, but lack of it is a significant hole. I even built a small one to be able to sleep there.” Czech and Turkish participants never used the concept of warmness. Turkish respondents widely used the concept of spaciousness. All of them linked it to comfort and light-well concepts. Woman 36: “Comfortable usage of the rooms, I mean I prefer bigger rooms…Spaciousness of the house is critical for me…Spaciousness is light-well, and without crowd furniture…without crowd furniture, spacious, comfortable and light-well house…My house must be without a lot of furniture inside, I must be able to move freely inside…and light-well house is enough.” Woman 32: “Big windows, light-well, white walls…just what I want…I want white colour because it gives me feeling of cleanliness and looks like brand new…I want modern house because of less furniture…It (Garden-author) is not highly significant for me; I have mentioned that I do not like messy bugs…Balcony is very valuable for aeration…I want design cleaning easily …Even despite the small window the feeling of spaciousness and light-well…Dressing room is essential because…stops dusting…” Woman 56: “Bigger window makes me happier… Light-well…Greenery is health…White colour makes me tranquil…white colour means spaciousness…I do not like rooms with crowd furniture…Window must be big…light-well is necessity…” Man 55: “Place with clean air…White colour…more spacious.... a very little furniture…” Man 50: “I said lets make light colour…Wide house…Big house without a garden”

Woman 30: “I want a comfortable place without crowd furniture…Big house…. White house…I want a truly big house; I mean it may be even extremely huge house because I love enormous…” Woman 28: “It must be white, but it must be truly snow-white…Because white gives the feeling of spaciousness…Big and spacious bedroom…snow-white…First of all, white means innocent, clear….” Woman 26: “Important, snow-white everywhere…. white makes me feel better because light-well and spacious…I must say that bare one place is enough for me…and simple…Balcony is more valuable than garden for me… spaciousness and light-well make me extremely tranquil…. spacious and organized…I want highly spacious, wide, useful house…I do not want to be drowned in that crowd furniture…If I do some work I want to move
freely and with pleasure...” Man 25: “...pure and clean...I like simplicity...white is great...we wanted big and useful house...white means light-well...white makes me tranquil.... house must be big, with balcony and light-well” Man 45: “White makes house bigger that is the most valuable; thus it creates a feeling of spaciousness...well illuminated house.... all house is white...nonsense of furniture makes me feel good...huge light-well salon...I want it to be spacious and well-light...I prefer large rooms....” Man 50: “…because it is large and spacious...white colour is for being light-well...all colours were white....” Man 45: “Sunrise full house makes me tranquil... I like flowers, but I hate flowers that peel and rub-off” Man 40: “When you come into the house it must be spacious and light-well...light-well house makes me extremely happy...more light colour gives me more light-well feeling...” Man 56: “I would like a large balcony.... wide place...health is very serious for me...big rooms very high, wide, comfortable...” In contrast, Russian participants linked concept of comfort to a little house; big one even scared them. Woman, 57: “It was a little warm house”

Man, 60: “It was small but highly comfortable”

Woman, 47: “I have a fear, winter night time is extremely long, when you are along in such a large house...I think my house is ideal for me; it is not too large”. Just three Czech participants mentioned the size of the house, but the size of garden mentioned was bigger. 46 years old woman: “My ideal home should be a little house with a huge garden.”

50 years old woman: “We live in the country. We have a large old house. The house includes a large garden.” 42 years old woman:” We have a quite large house; it has light yellow colour. It has about fourteen rooms and large garden.”

4.4.2 Researcher’s interpretation

After the first few interviews in each group, the certain pattern appeared. The researcher was able to determine the meanings of the words used in common by participants. During the first interviews with Turkish participants, common words were “Spacious”, “White”, “Light-well”, “Without crowded furniture”. But the manifest common words used by Czech participants since the first interview were “Garden”, “Trees”, “Wood”, “Yellow”, “Flowers”. In contrast, Russian participants’ common words were “Warm”, “Small house”, “Oven”. Difference was quite clear, for example, 36 years old Turkish woman: “Comfortable usage of the rooms, I mean I prefer bigger rooms...Spaciousness of the house is critical for me...Spaciousness is light-well and without crowd furniture...without crowd furniture, spacious, comfortable and light-well house...My house must be without a lot of furniture inside, I must be able to
move freely inside...and light-well house is enough.” Versus 30 years old Czech man: “I am missing fresh air in the morning when I open a window, trees and the garden which is situated beside the house of my parents. I wish I lived somewhere in Scotland with my girlfriend. There in Scotland were beautiful nature and charming houses on a coastline; there is everywhere beautiful still green nature. I prefer living in a house; near a house small garden...you can enjoy your garden. My ideal home is the home close by nature. I like nature and I like also nature colours in the house. I prefer not so expressive or deep colours but rather soft colour shades of yellow, orange, red and brown and white too. And the odour...I think in my ideal home should be a fresh country air with odours of trees and flowers. Better may be air and odour of wood. My childhood house is situated in the village. That is the reason of my preference of nature. To the parent’s house and my childhood house, there belong also big garden and orchard of fruit trees, all our neighbours have been having orchards and there have not been some wire fences between those orchards. So that the air was fresh, and it smells like natural country air”. In opposite, 60 years old Russian man: “It was small but extremely comfortable...There was an oven in the big one…Outer entrance hall is used to keep the house warm...imagine oven and loft...imagine a Russian oven; wooden loft (a bunk) was built at a same height at a 1 meter distance from it. It was high because it is warmer there; so, my first memory is jumping from oven to loft and back with my friends...there was not oven, that time almost everybody destroyed ovens, but lack of it is a large hole. I even built a small one to be able to sleep there”. As it can be inferred from the literature review, the explanation of this phenomenon may root on adaptation mechanism of the population that is reflected in the cultural heritage of the certain group. Based on factors such as climate and natural environment of target cultural groups, own experience and explanations of the participants the researcher assumed that the core categories behind of these common patterns might be the following. Cleanliness for Turkish group may be inferred from the followings.

Cleanliness in the hot climate is necessary for surviving of the population, especially a nomadic population. That is why cleanliness takes a critical place in Muslim religion. This assumption is validated also by Turkish respondents: 32 years old woman: “I want white colour because it gives me feeling of cleanliness. I do not like messy bugs...Balcony is very valuable for aeration...I want design cleaning easily ... Dressing room is essential because...stops dusting...” 55 years old man: “Place with clean air”

28 years old woman: “It must be white, but it must be truly snow-white...First of all, white means innocent, clear....” For Russian group the core category is Heat, it may be inferred from the followings. The centre of the house in the cold climate is an oven. The heat is necessary for surviving in this geography region; so, the oven was a starting point of the house (MARSADOLOVA, 2009). It is
interesting that in opposite to cleaning traditions in the hot climate, in Russia it was a bad luck to clean something including own body during the holidays. The oven, heat and heater theme is reflected in respondents of Russian participants. Interviewer: “What the first thing coming to your mind when you hear a word home?” 47 years old woman: “Something warm” 57 years old woman: “It was a little warm house”

60 years old man: “There was an oven in the big one. Outer entrance hall is used to keep the house warm… Russian oven… It was high because it is warmer there…” 80 years old woman: “Oven, big Russian oven, old, huge…some of us were sleeping on the oven; it was very nice and warm. Most of all I loved to sleep on the oven; we were sleeping there with my sister. It is truly warm there” Nature is the core category for Czech group because of the followings.

Wood and nature are the main point in the culture of Vikings that had spread in the North and the middle part of Europe. Their first houses were built from parts of their ships. Wooden ships were their universes. Also, holy wooden carvings took a highly powerful place in the Vikings’ world (MARSADOLOVA, 2009). Also, Nature is the main theme of interviews with Czech participants. 30 years old man: “I wish I lived somewhere in Scotland with my girlfriend. There in Scotland were beautiful nature; there is everywhere beautiful still green nature. My ideal home is the home close by nature. I like nature and I like also nature colours in the house… my preference of nature… it smell like natural country air” 46 years old man: “My ideal home should be a little house with a huge garden… with flowers in front of a house… in the wood or in the nature” 38 years old man: “I will like to have a home that is close a river with a lot of greenery, hills and mountains. I like nature; and, therefore, I believe having a home close to nature will be perfect for me” 67 years old woman: “A garden is perfectly natural, made by my hands” 53 years old woman: “It is extremely beautiful village with beautiful nature. Now I need garden, lot of flowers, nature, animals on garden and privacy” 46 years old woman: “My best place is in our garden. I love nature, flowers and gardening”

As a summary, the following Table 4.1 illustrates the choice of categories by different groups respondents.

### 4.4.3 Encoding of images for the Questionnaire

As it was shown before, during the Focused cycle of coding of the transcribed interviews the following categories were emerged for each group of respondents. 1. Czech group: Wood (W), Garden with flowers and trees (G), Yellow (Y) (Table 4.2). 2. Turkish group: Big house (B), White and light-well
L), Simple furniture (F) (Table 4.3). 3. Russian group: Small house (S), Oven (O), Warm colours (C) (Table 4.4).

Table 4.1: Choice of categories by respondents

<table>
<thead>
<tr>
<th></th>
<th>Czech group</th>
<th>Turkish group</th>
<th>Russian group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature (Wood-Garden-Yellow)</td>
<td>26</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Cleanliness</td>
<td>2</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>Heat (Small house, Oven, Warm colors)</td>
<td>3</td>
<td>0</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Author’s elaboration, 2013

Table 4.2: Categories for Czech group

<table>
<thead>
<tr>
<th>Category</th>
<th>Extracts from the interviews</th>
</tr>
</thead>
</table>
| Wood (W)                              | “odor of wood”  
|                                       | “The house is the wood most commonly used material”  
|                                       | “wood inside”  
|                                       | “wooden things”  
| Garden with flowers and trees (G)     | “I am missing fresh air in the morning when I open a window, trees and the garden”  
|                                       | “My ideal home should be a little house with a huge garden.”  
|                                       | “The house includes a large garden”  
|                                       | “My best place is in our garden.”  
|                                       | “should be at least two health children playing in the garden”  
|                                       | “I would really also liked the garden (in ideal home, author) full of flowers and ornamental trees“  
|                                       | “The first thing I remember is our beautiful garden”  
|                                       | “I believe having a home close to nature will be perfect for”  |
“our garden looks very good I think… in spring, it is a symphony of colors that are playing there”

“A garden is completely natural, made by my hands, and contains the raw emotions of frustration, enjoyment, and serenity”

“The sitting room it would have yellow walls”

“Around house is very big garden with ornamental shrub and flowers, trees”

Yellow (Y) “I prefer not so expressive or deep colors but rather soft color shades of yellow”

“My home (ideal, author) is a yellow”

“We have a quite big house, it has light yellow color”

“the main colors in our house are yellow and beige”

Source: Author’s elaboration, 2013

Table 4.3: Categories for Turkish group

<table>
<thead>
<tr>
<th>Category</th>
<th>Extracts from the interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big house (B)</td>
<td>“Spaciousness of the house is important for me”</td>
</tr>
<tr>
<td></td>
<td>“feeling of spaciousness”</td>
</tr>
<tr>
<td></td>
<td>“white color means spaciousness”</td>
</tr>
<tr>
<td></td>
<td>“more spacious”</td>
</tr>
<tr>
<td></td>
<td>“Wide house”</td>
</tr>
<tr>
<td></td>
<td>“I want very big house, I mean it may be even really huge house because I love huge”</td>
</tr>
<tr>
<td></td>
<td>“feeling of spaciousness”</td>
</tr>
<tr>
<td></td>
<td>“I want very spacious, wide, useful house”</td>
</tr>
<tr>
<td></td>
<td>“spaciousness and light-well makes me very tranquil”</td>
</tr>
<tr>
<td></td>
<td>“White makes house bigger that is the most important”</td>
</tr>
</tbody>
</table>
**Table 4.4: Categories for Russian group**

<table>
<thead>
<tr>
<th>Category</th>
<th>Extracts from the interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small house (S)</td>
<td>“I have a fear when you are along in a such big house”</td>
</tr>
<tr>
<td></td>
<td>“I think my house is ideal for me, it is not too big”</td>
</tr>
<tr>
<td></td>
<td>“It was a little warm house”</td>
</tr>
</tbody>
</table>

Source: Author’s elaboration, 2013
“It was small but very comfortable”

| Oven (O) | “oven, big Russian oven, old, huge, it was very nice and warm”  
|         | “Most of all I loved to sleep on the oven”  
|         | “But lack of it (oven) is a big hole. I even built a small one to be able to sleep there” |

| Warm colors (C) | “Calm tones”  
|                 | “something warm”  
|                 | “warm colors” |

Source: Author’s elaboration, 2013

Home design images can be coded according to these categories; they can contain a mix of these categories in different proportions.

According to these categories images for the testing instrument were coded as it is shown at the Table 4.5.

**Table 4.5: Encoding of the images for testing instrument**

| Image 1 | Highly spacious (2B),  
|         | Highly Light-well and white (2L),  
|         | Furniture is quite simple (F) |
| Image 2 | Highly Warm colors (2C),  
|         | Very clearly Oven – Heater (2O) |
| Image 3 | Very clearly Garden (2G),  
|         | Spacious (B),  
|         | Clearly Yellow-Green (2Y)  
|         | Quite Light-well and white (L) |
| Image 4 | Highly spacious (2B),  
<p>|         | Highly Light-well and white (2L), |</p>
<table>
<thead>
<tr>
<th>Image</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Image 5</td>
<td>Very Small (2S), Quite Warm colors (C), Clearly Oven-Heater (O)</td>
</tr>
<tr>
<td>Image 6</td>
<td>High amount of Wood (2W), High Warm colors (2C), Clearly Garden and trees (G)</td>
</tr>
<tr>
<td>Image 7</td>
<td>Highly spacious (2B), Highly Light-well and white (2L), Furniture is quite simple (F)</td>
</tr>
<tr>
<td>Image 8</td>
<td>Highly Warm colors (2C), Very clearly Oven – Heater (2O), Very Small (2S)</td>
</tr>
<tr>
<td>Image 9</td>
<td>High amount of Wood (2W), Clearly Garden (G)</td>
</tr>
<tr>
<td>Image 10</td>
<td>Quite spacious (B), Highly Light-well and white (2L), Furniture is quite simple (F)</td>
</tr>
<tr>
<td>Image 11</td>
<td>Highly Warm colors (2C), Very clearly Oven – Heater (2O), Clearly Wood (W), Clearly Yellow (Y)</td>
</tr>
<tr>
<td>Image 12</td>
<td>High amount of Wood (2W),</td>
</tr>
<tr>
<td></td>
<td>High amount of Yellow (2Y),</td>
</tr>
<tr>
<td></td>
<td>Very clearly Garden and trees (2G),</td>
</tr>
<tr>
<td></td>
<td>Highly spacious (2B),</td>
</tr>
<tr>
<td></td>
<td>Warm colors (C)</td>
</tr>
<tr>
<td>Image 13</td>
<td>Highly spacious (2B),</td>
</tr>
<tr>
<td></td>
<td>Highly Light-well and white (2L),</td>
</tr>
<tr>
<td></td>
<td>Furniture is quite simple (F)</td>
</tr>
<tr>
<td>Image 14</td>
<td>Quite Warm colors (C),</td>
</tr>
<tr>
<td></td>
<td>Clearly Wood (W),</td>
</tr>
<tr>
<td></td>
<td>Clearly Yellow (Y)</td>
</tr>
<tr>
<td>Image 15</td>
<td>Quite spacious (B),</td>
</tr>
<tr>
<td></td>
<td>Highly Light-well and white (2L),</td>
</tr>
<tr>
<td></td>
<td>Clearly Wood (W),</td>
</tr>
<tr>
<td></td>
<td>Clearly Yellow (Y)</td>
</tr>
<tr>
<td>Image 16</td>
<td>Highly Warm colors (2C),</td>
</tr>
<tr>
<td></td>
<td>Very clearly Oven – Heater (2O),</td>
</tr>
<tr>
<td></td>
<td>High amount of Wood (2W)</td>
</tr>
</tbody>
</table>

*Source: Author’s elaboration, 2013*

### 4.5 Findings of the Quantitative Stage of the Research

The main supposition of the author was that consumers from the certain cultural group would prefer the housing styles with characteristics defined for
this cultural group by the categories emerged during the second cycle of interviews coding, namely, W (wood), G (garden) and Y (yellow) for Czech group, B (big house), L (light-well/white) and F (simple furniture) for Turkish, S (small house), O (oven) and C (warm colors) for Russian groups; and the pattern of the certain cultural group customers preferences was significantly different from the patterns of other cultural groups preferences.

Instrument for gaining the data was image-based questionnaire. The objectives behind each image have already been explained in the previous section. As it was already discussed in Methodology chapter, images make the questionnaire less stressful (NORMAN, 1991) and thus increase the response rate. Every response consisted of a few image numbers; these images later were coded manually according to Table 6.4 and sums of scores for each variable explained in the previous section were entered into the data set as W (Wood), G (Garden), Y (Yellow), B (Big House), L (Light-Well/White), F (Simple Furniture), S (Small House), O (Oven), C (Warm Colours) values; so, hypotheses were defined as followings.

H0= The distribution of W, G, Y, B, L, F, S, O, C is the same across categories of races.

H1= The distribution of W, G, Y is significantly different across categories of races with the highest values for the Czech group.

H2= The distribution of B, L, F is significantly different across categories of races with the highest values for the Turkish group.

H3= The distribution of S, O, C is significantly different across categories of races with the highest values for the Russian group.

It is also assumed that WGY group variables would be more popular for Czech, BLF for Turkish and SOC for Russian respondents. Thus, they would have a higher rate of respondents that chose images content these variables in comparison with other group respondents.

So, the hypotheses’ testing was performed in two stages: one of them was the testing, if the distribution of the variables was significantly different across the races using non-parametric Kruskal-Wallis test; and the second one was an analysis of the medians using the descriptive analysis of the groups.

In order to examine this supposition the following logical steps were taken:

1. The sums of each variable from the chosen housing design images were entered into SPSS dataset for each respondent, for example, if respondent chose two images, (2W, B, F) and (W, 2B, F), values entered into the dataset for this respondent were 2W+W=3W, B+2B=3B, F+F=2F.
2. It is logically to assume that if the certain group of respondents prefers the housing style with certain characteristics, then the values of certain variables and thus the medians will be high in comparison with the other groups, for instance, if Russians prefer the housing style with small house, oven and warm colors characteristics, values of S, O and C variables will be higher comparing to those of Czech and Turkish groups.

3. There is three independent samples dataset and these samples need to be analysed and compared to each other in order to examine the distributions of the certain variables. If the initial supposition is right, then the distribution of the variables should be significantly different across the groups and medians for the certain variables should be the highest for the certain group, namely, W, G, Y for Czech, B, L, F for Turkish and S, O, C for Russian groups. The difference of the distribution was examined by non-parametric test, and medians were established by the descriptive analysis.

4. The statistical method was chosen based on the characteristics of the data set. The data is not normally distributed and contains qualitative variables, so nonparametric method should be used. There are three independent samples of respondents, so the test appropriate for use is Kruskal-Wallis. It is the non-parametric analogue of a one-way ANOVA. “The Kruskal–Wallis test is used to test the null hypothesis that several populations have the same medians. The several samples are first viewed as one array of values, and each value in this combined group is ranked from lowest to highest. For equal values the mean rank is assigned to the tied values. If the null hypothesis is true, the average of the ranks for each sample group should be about equal. The test statistic calculated is designated H and is based on the sum of the ranks in each of the several random samples, as follows:

\[
H = \left( \frac{12}{N(N+1)} \right) \sum \frac{R_j^2}{n_j} - 3(N+1)
\]  \hspace{1cm} \text{Equation 4-2}

Where,

\(N\) = combined sample size of the several samples

\(R_j\) = sum of the ranks for the j-th sample or treatment group

\(n_j\) = number of observations in the j-th sample” (KAZMIER, Theory and Problems of Business Statistics).

“H is given by a rather formidable formula that basically represents the variance of the ranks among groups, with an adjustment for the number of ties.
H is approximately chi-square distributed, meaning that the probability of getting a particular value of H by chance, if the null hypothesis is true, is the P value corresponding to a chi-square equal to H; the degrees of freedom is the number of groups minus 1” (MCDONALD, 2009).

Using SPSS enables researchers to be a bit more precise. The last version IBM-SPSS-20 software was used for calculations in this dissertation work.

The basic approach was to test for variables distributions differences among the groups (it allows to make a decision about rejection or remaining on H0); if significant differences were found it would be then necessary to perform the descriptive analysis for each group (it allows to establish the highest values and thus to test the second halves of H1, H2 and H3).

The most logical way to present the data is to present nonparametric analysis of all the groups together first and to do it for every group separately after it. Thus, the present chapter consists of five sections, nonparametric analysis findings will be presented in the first section, descriptive analysis for each group will be given in the following three sections, and comments in the fifth sections.

### 4.5.1 Nonparametric test for independent samples

The Hypotheses defined are as following:

- **H0**: The distribution of W, G, Y, B, L, F, S, O, C is the same across categories of races.
- **H1**: The distribution of W, G, Y is significantly different across categories of races with the highest values for the Czech group.
- **H2**: The distribution of B, L, F is significantly different across categories of races with the highest values for the Turkish group.
- **H3**: The distribution of S, O, C is significantly different across categories of races with the highest values for the Russian group.

Nonparametric test for independent samples, Kruskal-Wallis Test in particular, was undertaken using SPSS 20 in order to test distributions of the variables across the groups. The results are as following:

**Table 4.6: Hypothesis Test Summary**

<table>
<thead>
<tr>
<th>Ranks</th>
<th>race</th>
<th>N</th>
<th>Mean Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>wood</td>
<td>1</td>
<td>272</td>
<td>368.63</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
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<tr>
<td>----------------</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>garden</td>
<td>272</td>
<td>249</td>
<td>254</td>
</tr>
<tr>
<td>yellow</td>
<td>272</td>
<td>249</td>
<td>254</td>
</tr>
<tr>
<td>big house</td>
<td>272</td>
<td>249</td>
<td>254</td>
</tr>
<tr>
<td>light-well/white</td>
<td>272</td>
<td>249</td>
<td>254</td>
</tr>
<tr>
<td>simple furniture</td>
<td>272</td>
<td>249</td>
<td>254</td>
</tr>
<tr>
<td>small house</td>
<td>272</td>
<td>249</td>
<td>254</td>
</tr>
<tr>
<td>oven</td>
<td>272</td>
<td>249</td>
<td>254</td>
</tr>
<tr>
<td>warm colors</td>
<td>272</td>
<td>249</td>
<td>254</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>249</td>
<td>314.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>254</td>
<td>480.48</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>272</td>
<td>296.88</td>
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<td></td>
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<tr>
<td></td>
<td>249</td>
<td>400.18</td>
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<td></td>
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<tr>
<td></td>
<td>254</td>
<td>473.63</td>
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<td></td>
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<tr>
<td></td>
<td>272</td>
<td>333.59</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>249</td>
<td>407.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>254</td>
<td>427.39</td>
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<tr>
<td></td>
<td>272</td>
<td>291.43</td>
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<tr>
<td></td>
<td>249</td>
<td>559.50</td>
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</tr>
<tr>
<td></td>
<td>254</td>
<td>323.29</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>272</td>
<td>318.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>249</td>
<td>548.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>254</td>
<td>304.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>272</td>
<td>514.10</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>249</td>
<td>339.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>254</td>
<td>300.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>272</td>
<td>547.47</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>249</td>
<td>323.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>254</td>
<td>280.66</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>272</td>
<td>521.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>249</td>
<td>278.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>254</td>
<td>353.14</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Null Hypothesis Test

<table>
<thead>
<tr>
<th></th>
<th>Null Hypothesis</th>
<th>Test</th>
<th>$\chi^2$</th>
<th>Sig.</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The distribution of Wood is the same across categories of races.</td>
<td>Independent-Samples Kruskal-Wallis Test</td>
<td>73.916</td>
<td>.00</td>
<td>Reject the null hypothesis.</td>
</tr>
<tr>
<td>2</td>
<td>The distribution of Garden is the same across categories of races.</td>
<td>Independent-Samples Kruskal-Wallis Test</td>
<td>87.296</td>
<td>.00</td>
<td>Reject the null hypothesis.</td>
</tr>
<tr>
<td>3</td>
<td>The distribution of Yellow is the same across categories of races.</td>
<td>Independent-Samples Kruskal-Wallis Test</td>
<td>26.788</td>
<td>.00</td>
<td>Reject the null hypothesis.</td>
</tr>
<tr>
<td>4</td>
<td>The distribution of Big House is the same across categories of races.</td>
<td>Independent-Samples Kruskal-Wallis Test</td>
<td>187.21</td>
<td>.00</td>
<td>Reject the null hypothesis.</td>
</tr>
<tr>
<td>5</td>
<td>The distribution of Light-well/White is the same across categories of races.</td>
<td>Independent-Samples Kruskal-Wallis Test</td>
<td>224.00</td>
<td>.00</td>
<td>Reject the null hypothesis.</td>
</tr>
<tr>
<td>6</td>
<td>The distribution of Simple Furniture is the same across categories of races.</td>
<td>Independent-Samples Kruskal-Wallis Test</td>
<td>226.26</td>
<td>.00</td>
<td>Reject the null hypothesis.</td>
</tr>
<tr>
<td>7</td>
<td>The distribution of Small House is the same across categories of races.</td>
<td>Independent-Samples Kruskal-Wallis Test</td>
<td>201.16</td>
<td>.00</td>
<td>Reject the null hypothesis.</td>
</tr>
<tr>
<td>8</td>
<td>The distribution of Oven is the same across categories of races.</td>
<td>Independent-Samples Kruskal-Wallis Test</td>
<td>241.99</td>
<td>.00</td>
<td>Reject the null hypothesis.</td>
</tr>
<tr>
<td>9</td>
<td>The distribution of Warm Colours is the same across categories of races.</td>
<td>Independent-Samples Kruskal-Wallis Test</td>
<td>167.16</td>
<td>.00</td>
<td>Reject the null hypothesis.</td>
</tr>
</tbody>
</table>

Asymptotic significances are displayed. The significance level is .05.

*Source: IBM SPSS Statistics 20, 2013*

Kruskal-Wallis analysis results at Table 4.6 revealed the followings:

1. The distribution of Wood (Chi Square= 73.916; $p= 0.000$; Mean Rank= 480.48), Garden (Chi Square= 87.296; $p= 0.000$; Mean Rank=473.63), Yellow
(Chi Square= 26.788; p= 0.000; Mean Rank=427.39) is significantly different across categories of races. Thus, H1 is accepted with 0.05 level of significance.

2. The distribution of Big House (Chi Square= 187.210; p= 0.000; Mean Rank= 538.12), Light-well/White (Chi Square= 224.005; p= 0.000; Mean Rank=559.50), Simple Furniture (Chi Square= 226.268; p= 0.000; Mean Rank=548.71) is significantly different across categories of races. Thus, H2 is accepted with 0.05 level of significance.

3. The distribution of Small House (Chi Square= 201.160; p= 0.000; Mean Rank= 514.10), Oven (Chi Square= 241.999; p= 0.000; Mean Rank=547.47), Warm Colors (Chi Square= 167.162; p= 0.000; Mean Rank=521.19) is significantly different across categories of races. Thus, H3 is accepted with 0.05 level of significance.

Since the non-parametric test revealed statistically significant differences among the groups, descriptive analysis of the each group separately is needed for establish the highest values for testing the second parts of H1, H2 and H3.

### 4.5.2 Turkish Group

a) The Median is a more useful measure of comparison for samples, which have skewed distributions; so, it will be used widely. However, the Mean will be used in order to point a difference in case of equal medians. b) Two main measures of dispersion are Range and Standard Deviation SD. If the SD score is relatively high, then this would suggest a higher dispersion. Also, there is a correlation between Range and SD that is higher Range score often leads to higher SD. c) Skewness is a measure of departure from symmetry.

The Table 4.7 shows the main statistics for Turkish group. Each variable was calculated with 249 Turkish respondents in total. B and L variables have received the highest Median scores with the highest Range and SD scores as well that is in-line with suggestions made in the first stage of the study. The second highest Median scores were received by WGY group and the lowest by SOC group of variables.

**Wood (W) variable scores for Turkish group**

Wood is the first category for Czech group emerged in Focused cycle of interviews coding. The following questionnaire images content the Wood (W) category in different proportions: 6, 9, 11, 12, 14, 15, and 16. Interestingly,
whilst Wood is category emerged from interviews with Czech respondents, it was quite popular for Turkish respondents, as well. According to Table 5.6, 80% of them chose an image that content W. 22% of Turkish respondents scored 2; 20% scored 3, and almost all of them (more than 91%) scored up to 4 that explains the quite strong Skewness of 0.802 (Chart 4.1). Median of the group is 2.00; Mean is 2.22 with SD of 1.735. More insights will be gained in comparison with other groups later.

Table 4.7: Turkish Group Statistics

<table>
<thead>
<tr>
<th></th>
<th>W</th>
<th>G</th>
<th>Y</th>
<th>B</th>
<th>L</th>
<th>F</th>
<th>S</th>
<th>O</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>N Valid</td>
<td>249</td>
<td>249</td>
<td>249</td>
<td>249</td>
<td>249</td>
<td>249</td>
<td>249</td>
<td>249</td>
<td>249</td>
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<tr>
<td>Missing</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mean</td>
<td>2.22</td>
<td>1.99</td>
<td>2.37</td>
<td>4.51</td>
<td>4.64</td>
<td>1.67</td>
<td>.46</td>
<td>.92</td>
<td>1.60</td>
</tr>
<tr>
<td>Median</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td>4.00</td>
<td>4.00</td>
<td>2.00</td>
<td>.00</td>
<td>.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1.735</td>
<td>1.605</td>
<td>1.576</td>
<td>2.091</td>
<td>2.404</td>
<td>1.076</td>
<td>.898</td>
<td>1.201</td>
<td>1.502</td>
</tr>
<tr>
<td>Skewness</td>
<td>.802</td>
<td>.321</td>
<td>.152</td>
<td>.195</td>
<td>.430</td>
<td>.364</td>
<td>1.696</td>
<td>1.388</td>
<td>1.060</td>
</tr>
<tr>
<td>Range</td>
<td>9</td>
<td>6</td>
<td>6</td>
<td>12</td>
<td>11</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Minimum</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Maximum</td>
<td>9</td>
<td>6</td>
<td>6</td>
<td>12</td>
<td>11</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

Table 4.8: Frequency distribution for WOOD – Turkish Group

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>0</td>
<td>49</td>
<td>19.7</td>
<td>19.7</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>42</td>
<td>16.9</td>
<td>36.5</td>
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<td></td>
<td>2</td>
<td>55</td>
<td>22.1</td>
<td>58.6</td>
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<td></td>
<td>3</td>
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<td>98.4</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>1</td>
<td>.4</td>
<td>98.8</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>1</td>
<td>.4</td>
<td>99.2</td>
</tr>
</tbody>
</table>
Garden (G) variable scores for Turkish group

This is the second Czech group category. The following images content it: 3, 6, 9, and 12. The Garden category was less popular as about 30% of Turkish respondents did not choose any image that contents it. 33% scored 2, about 70% scored up to 2 and 93% of the entire group scored up to 4. Skewness is 0.321; Median is 200, Mean is 1.99 and SD is 1.605 (Table 4.9, Chart 4.2).

Table 4.9: Frequency distribution for GARDEN – Turkish Group

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid 0</td>
<td>70</td>
<td>28.1</td>
<td>28.1</td>
<td>28.1</td>
</tr>
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<td>14.1</td>
<td>14.1</td>
<td>93.2</td>
</tr>
</tbody>
</table>
Yellow (Y) variable scores for Turkish group

Yellow is the third Czech category that appears in the following images: 3, 11, 12, 14, and 15. This category is the most popular for Turkish respondents among Czech categories. About 85% of them chose an image where it appeared. 25% scored 2; 20% scored 3 and 98% scored up to 5. This gives us almost normal distribution with Skewness of just 0.152 (Chart 4.3). Median is 2.00; Mean is 2.37 with SD of 1.576 (Table 4.10).

Table 4.10: Frequency distribution for YELLOW – Turkish Group

<table>
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<tr>
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<td>88.8</td>
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<td>25</td>
<td>10.0</td>
<td>98.8</td>
</tr>
</tbody>
</table>
Big House (B) variable scores for Turkish group

Big House is the first category for Turkish group emerged in Focused cycle of interviews coding; so, it was suggested that Turkish respondents scores will be higher. The following questionnaire images content the Big House (B) category in different proportions: 1, 3, 4, 7, 10, 12, 13, and 15. 99% of Turkish respondents chose an image with this category that confirms the suggestion about its high popularity for Turkish group. Less than 10% scored 0 or 1. 19% scored 4 and 92% scored up to 7. The distribution is close to normal with Skewness of 0.195 (Chart 4.4), Median of 4.00, and Mean of 4.51. High Range of 12 has an impact to SD that is 2.091 (Table 4.11).

Light-well/White (L) variable scores for Turkish group

Light-well/White is the second Turkish group category; so, it was suggested that Turkish respondents scores would be higher, as well. The following questionnaire images content the Light-well/White (L) category in different proportions: 1, 3, 4, 7, 10, 13, and 15. 97% of Turkish respondents chose an image with this category that confirms the suggestion about its high popularity for Turkish group similarly with Big House category. About 10% scored 0 or 1, as well. 18% scored 4 and 92% scored up to 8. Skewness is 0.430 (Chart 4.5);
Median is 4.00, and Mean of 4.64. High Range of 11 also has an impact to SD that is 2.404 (Table 4.12).

Table 4.11: Frequency distribution for BIG HOUSE – Turkish Group

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</table>

Source: IBM SPSS Statistics 20, 2013
**Chart 4-4: Frequency distribution for BIG HOUSE – Turkish Group**

*Source: IBM SPSS Statistics 20, 2013*

**Table 4.12: Frequency distribution for LIGHT-WELL/WHITE – Turkish Group**

<table>
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<td>4.0</td>
<td>92.4</td>
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*Source: IBM SPSS Statistics 20, 2013*
Simple Furniture (F) variable scores for Turkish group

Small House is the first category for Russian group emerged in Focused cycle of interviews coding. The following questionnaire images content the Small House (S) category in different proportions: 5, and 8. As it was expected based on the qualitative findings, Small House category was highly unpopular for Turkish respondents. About 80% of them did not choose any image that content S. 20% of Turkish respondents scored 2; that explains very strong Skewness of 1.696 (Chart 4.6). Median of the group is 0.00; Mean is 0.46 with SD of 0.898 (Table 4.13).

<table>
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</table>
Small House (S) variable scores for Turkish group

Small House is the first category for Russian group emerged in Focused cycle of interviews coding. The following questionnaire images content the Small House (S) category in different proportions: 5, and 8. As it was expected based on the qualitative findings, Small House category was highly unpopular for Turkish respondents. About 80% of them did not choose any image that content S. 20% of Turkish respondents scored 2; that explains very strong Skewness of 1.696 (Chart 4.7). Median of the group is 0.00; Mean is 0.46 with SD of 0.898 (Table 4.14).
Oven (O) variable scores for Turkish group

Oven is the second category for Russian group and it appears in the following questionnaire images: 2, 5, 8, 11, and 16. As it was suggested based on the qualitative findings, Oven category was unpopular for Turkish respondents, as well. More than 53% of them did not choose any image that contents (O). 91% of Turkish respondents scored up to 2; that explains very strong Skewness of 1.388 (Chart 4.8). Median of the group is 0.00; Mean is 0.92 with SD of 1.201 (Table 4.15).

Table 4.15: Frequency distribution for OVEN – Turkish Group
Warm Colours (C) variable scores for Turkish group

Warm Colours is the third category for Russian group and it appears in the following questionnaire images: 2, 5, 6, 8, 11, 12, 14 and 16. Surprisingly, Warm Colours category was not as unpopular for Turkish respondents as it was assumed to be. Just 26% of them did not choose any image that contains (C). 30% of Turkish respondents scored 1 and 90% scored up to 3 that explain still strong Skewness of 1.060 (Chart 4.9). Median of the group is 1.00; Mean is 1.60 with SD of 1.502 (Table 4.16).

Table 4.16: Frequency distribution for WARM COLOURS – Turkish Group
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</tbody>
</table>

*Source: IBM SPSS Statistics 20, 2013*

As a summary, the descriptive analysis of Turkish group pointed out a few easy to see common patterns. As a confirmation of assumption made at the first stage of the research, Turkish respondents scored high on Big House and Light-well/White categories. Moderate scores on Czech categories should be compared with Czech and Russian groups’ scores for a better explanation.

### 4.5.3 Czech Group
The Table 4.17 shows the main statistics for Czech group. Each variable was calculated with 254 Czech respondents in total. \( W \) and \( Y \) variables have received the highest Median scores that are in-line with suggestions made in the first stage of the study. The second highest Median scores were received by BLF group and the lowest by SOC group of variables.

**Table 4.17: Czech Group Statistics**

<table>
<thead>
<tr>
<th></th>
<th>( W )</th>
<th>( G )</th>
<th>( Y )</th>
<th>( B )</th>
<th>( L )</th>
<th>( F )</th>
<th>( S )</th>
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<th>( C )</th>
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<td>2.67</td>
<td>1.96</td>
<td>.46</td>
<td>.22</td>
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<tr>
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<td>3.00</td>
<td>2.50</td>
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<td>.00</td>
<td>.00</td>
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<td>1.408</td>
<td>1.903</td>
<td>1.938</td>
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<td>.776</td>
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<td>1.924</td>
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<td>4</td>
<td>5</td>
<td>2</td>
<td>7</td>
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</table>

*Source: IBM SPSS Statistics 20, 2013*

**Wood (W) variable scores for Czech group**

Wood is the first category for Czech group emerged in Focused cycle of interviews coding; so, it was suggested based on the qualitative findings that Czech respondents scores would be higher. The following questionnaire images content the Wood (W) category in different proportions: 6, 9, 11, 12, 14, 15, and 16. 95% of Czech respondents chose an image with this category that confirms the suggestion about its high popularity for Czech group. 11% scored 0 or 1. 23% of Czech respondents scored 4; 20% scored 3, and almost all of them (more than 93%) scored up to 6. The distribution is extremely close to normal with Skewness of 0.091 (Chart 4.10), Median of 4.00, Mean of 3.57 and SD of 1.772 (Table 4.18).

**Table 4.18: Frequency distribution for WOOD – Czech Group**

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Source: IBM SPSS Statistics 20, 2013

Chart 4-10: Frequency distribution for WOOD – Czech Group

Source: IBM SPSS Statistics 20, 2013

Garden (G) variable scores for Czech group

This is the second Czech group category; so, it was suggested based on the qualitative findings that Czech respondents scores will be higher, as well. The following questionnaire images content the Garden (G) category in different proportions: 3, 6, 9, and 12. Surprisingly, just 85% of Czech respondents chose an image with this category, but it should be compared with other groups before making any claim. It is the highest rate among three groups. 25% scored 2, about 22% scored 3 and 96% of the entire group scored up to 5. The distribution
is close to normal with Skewness of 0.120 (Chart 4.11), Median of 2.00, Mean of 2.53 and SD of 1.622 (Table 4.19).

Table 4.19: Frequency distribution for GARDEN – Czech Group

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</thead>
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Source: IBM SPSS Statistics 20, 2013

Chart 4-11: Frequency distribution for GARDEN – Czech Group

Source: IBM SPSS Statistics 20, 2013

Yellow (Y) variable scores for Czech group

Yellow is the third Czech category that appears in the following images: 3, 11, 12, 14, and 15. Based on the qualitative findings this category is expected to be more popular for Czech respondents than for other groups. Indeed, about 90% of them chose an image where it appears. 26% scored 3; 24% scored 2 and 92% scored up to 4. This gives us almost normal distribution with Skewness of -0.051 (Chart 4.12). Median is 3.00; Mean is 2.47 with SD of 1.408 (Table 4.20).
Table 4.20: Frequency distribution for YELLOW – Czech Group

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<th>Frequency</th>
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</tr>
</thead>
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<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

Chart 4.12: Frequency distribution for YELLOW – Czech Group
Source: IBM SPSS Statistics 20, 2013

**Big House (B) variable scores for Czech group**

Big House is the first category for Turkish group emerged in Focused cycle of interviews coding. The following questionnaire images content the Big House (B) category in different proportions: 1, 3, 4, 7, 10, 12, 13, and 15. 88% of Czech respondents chose an image with this category that is surprisingly high rate. 75% scored up to 3, and 90% scored up to 5. Skewness is 0.776 (Chart 4.13), Median of 2.50, Mean of 2.67 and SD that is 1.903 (Table 4.21).

Table 4.21: Frequency distribution for BIG HOUSE – Czech Group
<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
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<td>11.8</td>
<td>11.8</td>
</tr>
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<td></td>
<td>1</td>
<td>17.3</td>
<td>29.1</td>
</tr>
<tr>
<td></td>
<td>2</td>
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</tr>
<tr>
<td></td>
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<td>25.6</td>
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</tr>
<tr>
<td></td>
<td>4</td>
<td>7.9</td>
<td>83.5</td>
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<td></td>
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</tr>
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</table>

Source: IBM SPSS Statistics 20, 2013

Chart 4-13: Frequency distribution for BIG HOUSE – Czech Group

Source: IBM SPSS Statistics 20, 2013

**Light-well/White (L) variable scores for Czech group**

Light-well/White is the second Turkish group category that appears in the following questionnaire images: 1, 3, 4, 7, 10, 13, and 15. 72% of Czech respondents chose an image with this category and about 47% scored 0 or 1. 24% scored 2 and 71% scored up to 2 that explains significant Skewness of 1.133 (Chart 4.14). Median is 2.00; Mean is 1.96 and SD is 1.938 (Table 4.22).

Table 4.22: Frequency distribution for LIGHT-WELL/WHITE – Czech Group
Simple Furniture (F) variable scores for Czech group

Simple Furniture is the third category for Turkish group. The following questionnaire images content the Simple Furniture (F) category in different proportions: 1, 4, 7, 10, and 13. Just 36% of Czech respondents chose an image with this category. 86% scored 0 or 1 and 94% scored up to 2. Significant Skewness is 1.924 (Chart 4.15); Median is 0.00, and Mean of 0.46 with SD of 0.892 (Table 4.23).

Table 4.23: Frequency distribution for SIMPLE FURNITURE – Czech Group
<table>
<thead>
<tr>
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<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
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</tr>
<tr>
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<td>254</td>
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<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

Chart 4-15: Frequency distribution for SIMPLE FURNITURE – Czech Group

Source: IBM SPSS Statistics 20, 2013

Small House (S) variable scores for Czech group

Small House is the first category for Russian group emerged in Focused cycle of interviews coding. The following questionnaire images content the Small House (S) category in different proportions: 5, and 8. As it was expected based on the qualitative findings, Small House category was highly unpopular for Czech respondents. About 89% of them did not choose any image that content S. 11% of Turkish respondents scored 2; that explains very strong Skewness of 2.504 (Chart 4.16). Median of the group is 0.00; Mean is 0.22 with SD of 0.628 (Table 4.24).
Table 4.24: Frequency distribution for SMALL HOUSE – Czech Group

<table>
<thead>
<tr>
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<th>Frequency</th>
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<tr>
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<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

Chart 4-16: Frequency distribution for SMALL HOUSE – Czech Group

Source: IBM SPSS Statistics 20, 2013

Oven (O) variable scores for Czech group

Oven is the second category for Russian group and it appears in the following questionnaire images: 2, 5, 8, 11, and 16. As it was suggested based on the qualitative findings, Oven category was unpopular for Czech respondents, as well. 69% of them did not choose any image that contents (O). 95% of Czech respondents scored up to 2; that explains very strong Skewness of 1.474 (Chart 4.17). Median of the group is 0.00; Mean is 0.67 with SD of 1.093 (Table 4.25).

Table 4.25: Frequency distribution for OVEN – Czech Group

135
<table>
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<th>Frequency</th>
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<td>68.9</td>
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<td>3.9</td>
</tr>
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</tr>
<tr>
<td></td>
<td>3</td>
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<td>.4</td>
</tr>
<tr>
<td>Total</td>
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<td>100.0</td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

**Chart 4-17: Frequency distribution for OVEN – Czech Group**

**Source: IBM SPSS Statistics 20, 2013**

**Warm Colors (C) variable scores for Czech group**

Warm Colours is the third category for Russian group and it appears in the following questionnaire images: 2, 5, 6, 8, 11, 12, 14 and 16. Surprisingly, Warm Colours category was not as unpopular for Czech respondents as it was assumed to be. Just 8% of them did not choose any image that contains (C). 31% of Czech respondents scored 1 and 88% scored up to 3. Skewness is 0.662 (Chart 4.18). Median of the group is 2.00; Mean is 2.11 with SD of 1.330 (Table 4.26).

**Table 4.26: Frequency distribution for WARM COLOURS – Czech Group**
<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
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<th>Cumulative Percent</th>
</tr>
</thead>
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<tr>
<td>Valid</td>
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<td>31.1</td>
<td>39.0</td>
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<td>54</td>
<td>21.3</td>
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<td>60.2</td>
</tr>
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<td>3</td>
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<td>28.3</td>
<td>28.3</td>
<td>88.6</td>
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<td>98.8</td>
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<tr>
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<td>1</td>
<td>.4</td>
<td>.4</td>
<td>99.2</td>
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<tr>
<td>7</td>
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<tr>
<td>Total</td>
<td>254</td>
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<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

*Source: IBM SPSS Statistics 20, 2013*

**Chart 4-18: Frequency distribution for WARM COLOURS – Czech Group**

*Source: IBM SPSS Statistics 20, 2013*

### 4.5.4 Russian Group

The Table 5.27 shows the main statistics for Russian group. Each variable was calculated with 272 Russian respondents in total. As it was expected based on the qualitative findings O and C variables have received the highest Median scores. The second highest Median scores were received by WGY group, and almost the same with WGY score was also received by SOC group of variables.
Wood (W) variable scores for Russian group

Wood is the first category for Czech group emerged in Focused cycle of interviews coding. The following questionnaire images content the Wood (W) category in different proportions: 6, 9, 11, 12, 14, 15, and 16. Interestingly, whilst Wood is category emerged from interviews with Czech respondents, it was truly popular for Russian respondents, as well. 90% of them chose an image that content W. 19% of Russian respondents scored 1; 22% scored 2 and almost all of them (more than 92%) scored up to 5 that explains the quite strong Skewness of 0.831 (Chart 4.19). Median of the group is 2.00; Mean is 2.71 with SD of 1.917 (Table 4.28). More insights will be gained in comparison with other groups later.

Table 4.28: Frequency distribution for WOOD – Russian Group

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
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<td>10.3</td>
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<tr>
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<td>1</td>
<td>19.1</td>
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</tr>
<tr>
<td></td>
<td>2</td>
<td>22.4</td>
<td>51.8</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>16.5</td>
<td>68.4</td>
</tr>
</tbody>
</table>
This is the second Czech group category. The following images content it: 3, 6, 9, and 12. The Garden category was quite unpopular, as about 40% of Russian respondents did not choose any image that contains it. 33% scored 2, about 18% scored 1 and 95% of the entire group scored up to 3. Strong Skewness is 0.998 (Chart 4.20); Median is 1.00; Mean is 1.24 and SD is 1.313 (Table 4.29).

Garden (G) variable scores for Russian group

Table 4.29: Frequency distribution for GARDEN – Russian Group
<table>
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<th>Percent</th>
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<td>18.4</td>
<td>18.4</td>
<td>59.2</td>
</tr>
<tr>
<td>2</td>
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<td>3</td>
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<td>11.4</td>
<td>11.4</td>
<td>95.2</td>
</tr>
<tr>
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<td>9</td>
<td>3.3</td>
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<td>98.5</td>
</tr>
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<td>1.5</td>
<td>1.5</td>
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<tr>
<td>Total</td>
<td>272</td>
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<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

Chart 4-20: Frequency distribution for GARDEN – Russian Group

Source: IBM SPSS Statistics 20, 2013

**Yellow (Y) variable scores for Russian group**

Yellow is the third Czech category that appears in the following images: 3, 11, 12, 14, and 15. This category also is quite popular for Russian respondents. About 81% of them chose an image where it appeared. 27% scored 2; 23% scored 1 and 96% scored up to 4. Skewness is 0.515 (Chart 4.21). Median is 2.00; Mean is 1.87 with SD of 1.387 (Table 4.30).

Table 4.30: Frequency distribution for YELLOW – Russian Group
<table>
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<th>Frequency</th>
<th>Frequency</th>
<th>Percent</th>
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<th>Cumulative Percent</th>
</tr>
</thead>
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</tr>
<tr>
<td>Total</td>
<td>272</td>
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<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

*Source: IBM SPSS Statistics 20, 2013*

**Chart 4-21: Frequency distribution for YELLOW – Russian Group**

**Big House (B) variable scores for Russian group**

Big House is the first category for Turkish group emerged in Focused cycle of interviews coding. The following questionnaire images content the Big House (B) category in different proportions: 1, 3, 4, 7, 10, 12, 13, and 15. Just 67% of Russian respondents chose an image with this category. 81% scored up to 3, and almost 90% scored up to 4. Skewness is 0.846 (Chart 4.22); Median is 2.00; Mean is 1.89 and SD is 1.877 (Table 4.31).
Table 4.31: Frequency distribution for BIG HOUSE – Russian Group

<table>
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<tr>
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<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

Chart 4-22: Frequency distribution for BIG HOUSE – Russian Group

Source: IBM SPSS Statistics 20, 2013

Light-well/White (L) variable scores for Russian group

Light-well/White is the second Turkish group category that appears in the following questionnaire images: 1, 3, 4, 7, 10, 13, and 15. Just about 60% of Russian respondents chose an image with this category and about 52% scored 0 or 1. 22% scored 2 and 91% scored up to 4 that explains significant Skewness of 1.137 (Chart 4.23). Median is 1.00; Mean is 1.68 and SD is 1.881 (Table 4.32).
Table 4.32: Frequency distribution for LIGHT-WELL/WHITE – Russian Group

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<th>Cumulative Percent</th>
</tr>
</thead>
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</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

Chart 4.23: Frequency distribution for LIGHT-WELL/WHITE – Russian Group

Source: IBM SPSS Statistics 20, 2013

**Simple Furniture (F) variable scores for Russian group**

Simple Furniture is the third category for Turkish group. The following questionnaire images content the Simple Furniture (F) category in different proportions: 1, 4, 7, 10, and 13. Just 31% of Russian respondents chose an image with this category. 84% scored 0 or 1 and 95% scored up to 2. Significant Skewness is 1.823 (Chart 4.24); Median is 0.00, and Mean is 0.52 with SD of 1.823 (Table 4.33).
Table 4.33: Frequency distribution for SIMPLE FURNITURE – Russian Group

<table>
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<th>Percent</th>
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<th>Cumulative Percent</th>
</tr>
</thead>
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<tr>
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<td>4</td>
<td>1.5</td>
<td>98.5</td>
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<td>Total</td>
<td>272</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

Small House (S) variable scores for Russian group

Small House is the first category for Russian group emerged in Focused cycle of interviews coding; so, it was suggested that Russian respondents scores will be significantly higher comparing with the other groups. The following questionnaire images content the Small House (S) category in different proportions: 5, and 8. 63% of Russian respondents chose an image with this category that is significantly high rate in comparison with 20% of Turkish and
11% of Czech respondents. This fact confirms the suggestion about its higher popularity for Russian group. 36% of Russian respondents scored 2 and 26% scored 4, which explain low Skewness of just 0.200 (Chart 4.25). Median of the group is 2.00; Mean is 1.78 with SD of 1.587 (Table 4.34).

Table 4.34: Frequency distribution for SMALL HOUSE – Russian Group

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<th>Cumulative Percent</th>
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</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

Chart 4-25: Frequency distribution for SMALL HOUSE – Russian Group

Source: IBM SPSS Statistics 20, 2013

Oven (O) variable scores for Russian group

Oven is the second category for Russian group category; so, it was suggested that Russian respondents scores would be higher, as well. The following questionnaire images content the Oven (O) category in different proportions: 2, 5, 8, 11, and 16. 86% of Russian respondents chose an image with this category that confirms the suggestion about its higher popularity for Russian group.
comparing with 47% of Turkish and 32% of Czech respondents. 19% of Russian respondents scored 3 and 87% scored up to 5; that explains moderate Skewness of 0.632 (Chart 4.26). Median of the group is 3.00; Mean is 3.06 with SD of 2.210 (Table 4.35).

Table 4.35: Frequency distribution for OVEN – Russian Group

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>39</td>
<td>14.3</td>
</tr>
<tr>
<td>1</td>
<td>29</td>
<td>10.7</td>
</tr>
<tr>
<td>2</td>
<td>51</td>
<td>18.8</td>
</tr>
<tr>
<td>3</td>
<td>53</td>
<td>19.5</td>
</tr>
<tr>
<td>4</td>
<td>34</td>
<td>12.5</td>
</tr>
<tr>
<td>5</td>
<td>32</td>
<td>11.8</td>
</tr>
<tr>
<td>6</td>
<td>12</td>
<td>4.4</td>
</tr>
<tr>
<td>7</td>
<td>10</td>
<td>3.7</td>
</tr>
<tr>
<td>8</td>
<td>5</td>
<td>1.8</td>
</tr>
<tr>
<td>9</td>
<td>7</td>
<td>2.6</td>
</tr>
<tr>
<td>Total</td>
<td>272</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013

Chart 4-26: Frequency distribution for OVEN – Russian Group

Source: IBM SPSS Statistics 20, 2013

Warm Colors (C) variable scores for Russian group

Warm Colours is the third category for Russian group and based on the qualitative findings it expected to be popular and high scored by Russian respondents. The following questionnaire images content the Warm Colours (C) category in different proportions: 2, 5, 6, 8, 11, 12, 14 and 16. 92% of Russian respondents chose an image with this category that confirms the suggestion.
about its high popularity for Russian group. 15% scored 0 or 1. 18% of Russian respondents scored 4 and 91% scored up to 7. Skewness is moderate 0.619 (Chart 4.27). Median of the group is 4.00; Mean is 3.99 with SD of 2.514 (Table 4.36).

Table 4.36: Frequency distribution for WARM COLOURS – Russian Group

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>0</td>
<td>24</td>
<td>8.8</td>
<td>8.8</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>18</td>
<td>6.6</td>
<td>6.6</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>37</td>
<td>13.6</td>
<td>29.0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>39</td>
<td>14.3</td>
<td>43.4</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>49</td>
<td>18.0</td>
<td>61.4</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>41</td>
<td>15.1</td>
<td>76.5</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>27</td>
<td>9.9</td>
<td>86.4</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>14</td>
<td>5.1</td>
<td>91.5</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>10</td>
<td>3.7</td>
<td>95.2</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>4</td>
<td>1.5</td>
<td>96.7</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>2</td>
<td>.7</td>
<td>97.4</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>5</td>
<td>1.8</td>
<td>99.3</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>2</td>
<td>.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>272</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 20, 2013
4.5.5 Summary of three groups’ statistics

What is immediately striking is that a certain group respondents scored significantly higher comparing with the other groups on categories emerged during Focused coding cycle of interviews with their own cultural group respondents (Picture 4.11). Median was used as a more useful measure of comparison for skewed distributions. Turkish group’s Medians for BLF group variables were higher than the others Medians for the same variables; similarly Czech group’s Medians for WGY and Russian group’s Medians for SOC were higher. There is an exception, G variable for Czech group. Czech group’s Median for G variable is equal to those of Turkish group, but in a broader context, popularity rate in Czech group was significantly higher as 85% of them chose an image with G variable comparing to just 70% of Turkish respondents. Moreover, Czech group’s Mean of 2.53 is significantly higher than Turkish group’s Mean of just 1.99. These facts allow making a preliminary assumption about slightly higher score of Czech group for G variable but claim about significance can be made just after nonparametric test.

Source: IBM SPSS Statistics 20, 2013
Wood: Turkish-Czech-Russian

- a) Turkish Group Median: 2.00
- b) Czech Group Median: 4.00
- c) Russian Group Median: 2.00

Garden: Turkish-Czech-Russian

- a) Turkish Group Median: 2.00
- b) Czech Group Median: 2.00
- c) Russian Group Median: 1.00

Yellow: Turkish-Czech-Russian

- a) Turkish Group Median: 2.00
- b) Czech Group Median: 3.00
- c) Russian Group Median: 2.00
**Big House: Turkish-Czech-Russian**

a) Turkish Group  
Median: 4.00  
b) Czech Group  
Median: 2.50  
c) Russian Group  
Median: 2.00

**Light-well/White: Turkish-Czech-Russian**

a) Turkish Group  
Median: 4.00  
b) Czech Group  
Median: 2.00  
c) Russian Group  
Median: 1.00

**Simple Furniture: Turkish-Czech-Russian**

a) Turkish Group  
Median: 2.00  
b) Czech Group  
Median: 0.00  
c) Russian Group  
Median: 0.00
Small House: Turkish-Czech-Russian

a) Turkish Group  
Median: 0.00

b) Czech Group  
Median: 0.00

c) Russian Group  
Median: 2.00

Oven: Turkish-Czech-Russian

a) Turkish Group  
Median: 0.00

b) Czech Group  
Median: 0.00

c) Russian Group  
Median: 3.00

Warm Colors: Turkish-Czech-Russian

a) Turkish Group  
Median: 1.00

b) Czech Group  
Median: 2.00

c) Russian Group  
Median: 4.00

Picture 4.11: Summary of charts for each category

Source: IBM SPSS Statistics 20, 2013
4.5.6 Comments

Non-parametric and descriptive analyses results revealed the followings:

1. The distribution of Wood (Chi Square= 73.916; p= 0.000; Mean Rank= 480.48), Garden (Chi Square= 87.296; p= 0.000; Mean Rank=473.63), Yellow (Chi Square= 26.788; p= 0.000; Mean Rank=427.39) is significantly different across categories of races with the highest values for the Czech group. Thus, H1 is accepted with 0.05 level of significance.

2. The distribution of Big House (Chi Square= 187.210; p= 0.000; Mean Rank= 538.12), Light-well/White (Chi Square= 224.005; p= 0.000; Mean Rank=559.50), Simple Furniture (Chi Square= 226.268; p= 0.000; Mean Rank=548.71) is significantly different across categories of races with the highest values for the Turkish group. Thus, H2 is accepted with 0.05 level of significance.

3. The distribution of Small House (Chi Square= 201.160; p= 0.000; Mean Rank= 514.10), Oven (Chi Square= 241.999; p= 0.000; Mean Rank=547.47), Warm Colors (Chi Square= 167.162; p= 0.000; Mean Rank=521.19) is significantly different across categories of races with the highest values for the Russian group. Thus, H3 is accepted with 0.05 level of significance.

Since the statistical analysis allowed remaining on H1, H2 and H3, it may be concluded that the qualitative findings are very likely to be true. Respondents from these three different cultural groups look for different cultural characteristics of housing during their residential choice. However, there are some interesting findings. It may be assumed that there is some closeness between Turkish and Czech cultural groups. Their scores were quite close and in case of GARDEN (G) are almost similar to each other. There is a clear need for further research in this direction. As a conclusion, Czech respondents clearly preferred the housing style with categories of Wood, Garden and Yellow; while Turkish looked for Big House, Light-well/White and Simple Furniture categories; and Russians preferred housing style with Small House, Oven and Warm Colours.
5. CONCLUSIONS AND RECOMMENDATIONS

Economic development has a cyclic nature. Surge alternates recession. The chain of recent crises started from USA housing bubble, might be a sign that the world is at the beginning of the recession stage. Suggested by Schumpeter, innovation, that is “a source of energy within the economic system which would of itself disrupt any equilibrium that might be attained” (SCHUMPETER, 2012), may accelerate the recovery process.

One of the most important characteristics of Globalisation age economy is multicultural nature of markets created by increased migrant population. So, innovation should firstly target multicultural audience.

Since migration became a hot topic of political debates in EU, growing body of economic literature focuses on immigration impact to the host economies; but this literature mainly investigates the issues in relation to the labor market outcomes. The purpose of economic studies is the investigation of economic processes for precise policy design (KALANTARYAN, 2013). Precise policy development needs “careful consideration of a wider range of factors through which immigration can influence the well being of the population. Housing markets may represent one of the main non- labor channels, by which immigrants influence the well being of natives” (KALANTARYAN, 2013). Cultural influence on housing market was investigated mostly for USA; these studies, however, are hardly applicable to EU because of fundamental differences in structures of housing markets and immigration.

The current research was a mixed method exploratory study investigated cultural differences in housing preferences of participants from three cultural groups close related to EU, namely, EU member, Czech Republic; candidate to EU member state, Turkey; and non-EU member with great amount of migrants to EU, Russia. National origin was used as an indicator of cultural background. Content analysis of 55 in-depth interviews with three groups of homeowners revealed preference of Nature group variables by Czech, Cleanliness by Turkish and Heat by Russian groups. These results were proved later by questionnaire data gained from 775 customers of three real estate agencies in three biggest cities, namely, Prague, Istanbul and Moscow.

These concluding thoughts include the summary of the research, the
contribution to literature and practice, the limitations of the study and suggestions for the future research. This chapter is divided into six sections.

The first summarizes the research and explains how the methodology employed has successfully achieved the study objectives. The second section explains the study’s theoretical and practical contributions. Third, specific questions for further research are indicated. Fourth, methodological and theoretical limitations of this study are discussed. Finally, some concluding comments are provided.

5.1 Summary of the research

5.1.1 Methodology appropriateness

The first concluding aspect is the extent to which the interpretivist and positivist methodologies have succeeded in achieving the objectives of this study.

Philosophy appropriateness
The subjective philosophy of this study has formed the view that the available subjective information is valid knowledge. Knowledge is a product of the experience, history and social interests of the participants due to this subjective epistemological position; thus it cannot be discovered “out there” independently of subjects’ interpretation of their lives and researcher’s understanding of their interpretations (BERG, 2004) (FRAENKEL, 2006). The objective epistemological position in the second stage of this study allowed determination whether a claimed value for the population should be accepted as being plausible based on sample evidence (KAZMIER, Schaum's Outline of Business Statistics, 2004).

Advantages of insider researcher
Insider researcher position allowed gaining in-depth insights of cultural factors of consumers dwelling choice. Insiders can understand the cognitive, emotional, and psychological stance of participants. According to Chavez (2008), the advantages may be listed as following.

Positionality:

• A nuanced perspective for observation, interpretation and representation,
• An equalized relationship between researcher and participants,
• Expediency of rapport building,
• Immediate legitimacy in the field,
• Economy to acclimating to the field

Access:
• Expediency of access,
• Access to more in-group activities

Data Collection/Interpretation/Representation:
• Insight into the linguistic, cognitive, emotional, sensory and psychological Principles of participants,
• Knowledge of the historical and practical happenings of the field,
• Stimulation of natural interaction and behaviour,
• Detection of participants’ hidden behaviours and perceptions,
• Detection of nonverbal gestures of embarrassment and discomfort,
• Detection of informants’ actual behaviour versus their performed selves,
• Identification of unusual and unfamiliar occurrences (CHAVEZ, 2008).

Effectiveness of using photographs
Benefits of using image based method include 1) reduction of translation related biases (ALLDRED, 1998), (BLACKBERD, 2007), (LARSON, 1999), (YOUNG & BARRETT, 2001); 2) access to deeper elements of human consciousness through images as compared to words (HARPER, 2002) (NORMAN, 1991); 3) an ability to reveal people’s experiences (HARPER, 2002); and 4) an ability to investigate how people understand the context of dwelling (TAYLOR, 2002).

Benefits of employing qualitative methods
Qualitative methods of research were developed in Social Sciences when Quantitative methods became useless for understanding such complex phenomena as cultural and social issues. A major disadvantage of Quantitative
methods was treating the “context” as a “noise” that caused loosing of some important cultural and social aspects (MYERS, 2009). Qualitative methods are perfect for studying a new topic in-depth, when there is a deficiency of previous research; and aim at explanation and understanding instead of prediction and control. Employing Qualitative methods allowed exploring underlying cultural patterns in residential choice and developing a working instrument for the hypothesis testing that were not possible without treating subjective information as a valid knowledge.

5.1.2 Research sample

In the frame of this dissertation work the testing sample for the cultural dwelling research was chosen as one current EU member, Czech Republic, one country in the process of becoming EU member, Turkey, and one non-EU member with great amount of migrants to EU, Russia. The choice of Czech, Turkish and Russian housing markets as subjects for empirical research is motivated by following reasons. First, investigation of the problem from angles of countries with different relations to EU contributes to better understanding of the issue and allows more precise and long-term estimations. Second, researcher’s familiarity of languages and cultures of chosen countries decreases biases and costs.

The research sample was widely justified in previous Chapters.

5.1.3 Research Hypotheses

The research hypothesis generally states that:

“Each cultural group has its own cultural variables that influence dwelling decision making process.”

Mathematically it was explained as the following:

$H_0 = \text{The distribution of } W, G, Y, B, L, F, S, O, C \text{ is the same across categories of races.}$

$H_1 = \text{The distribution of } W, G, Y \text{ is significantly different across categories of races with the highest values for the Czech group.}$
H2= The distribution of B, L, F is significantly different across categories of races with the highest values for the Turkish group.

H3= The distribution of S, O, C is significantly different across categories of races with the highest values for the Russian group.

The research has shown that each target group does indeed have such special variables and has also identified these variables for each of three target groups.

It is proposed to outline the findings and to discuss them.

5.1.4 Qualitative findings

The following Table 5.1 shows the categories emerged during the second and third cycle of coding of the transcribed interviews.

Table 5.1: Categories emerged for the target groups.

<table>
<thead>
<tr>
<th>Cultural Group</th>
<th>Categories</th>
<th>Core Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech</td>
<td>Wood (W)</td>
<td>Nature</td>
</tr>
<tr>
<td></td>
<td>Garden (G)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yellow (Y)</td>
<td></td>
</tr>
<tr>
<td>Turkish</td>
<td>Big House (B)</td>
<td>Cleanliness</td>
</tr>
<tr>
<td></td>
<td>Light-well/White (L)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Simple Furniture (F)</td>
<td></td>
</tr>
<tr>
<td>Russian</td>
<td>Small House (S)</td>
<td>Heat</td>
</tr>
<tr>
<td></td>
<td>Oven (O)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Warm colours (C)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s elaboration, 2013

Logically thinking and based on the previous research it is possible to make the following comments:

Cleanliness in hot climate is necessary for surviving of the population, especially a nomadic population. That’s why cleanliness takes a critical place in Muslim religion. Big house, Light-well/White and Simple furniture logically
contribute to cleaning and cleanliness. Indeed, light-well empty place is easy to clean. It is interesting that in Turkey the antiseptic wall colors are considered to be the best; and their price level is the highest: about 25 TL per bottle while other wall colors are 12-18 TL per bottle.

Wood and nature is the main point in the culture of Vikings that had spread in the North and the middle part of Europe. Their first houses were built from parts of their ships. Wooden ships were their universes. Also, holy wooden carvings took a very important place in the Vikings’ world (Marsadolova).

Author’s on-going preliminary research on cultural preferences of Czech respondents for watches and shoes has also shown Nature as a common pattern that may be seen as a sign of “moving in the right direction”. However, this research is out of the scope of this Dissertation work.

The centre of the house in the cold climate is an oven. Without any doubts, the heat is absolutely necessary for surviving in this geographic region. So, the oven was a starting point of the house (Marsadolova). It is interesting that in opposite to cleaning traditions in the hot climate, in Russia it was a bad luck to clean something including own body during the holidays. Small house and Warm colors obviously contribute to heating. Indeed, Small house is easy to heat. Small house and Warm colors give the feeling of warmness.

It seems to be an impact of geographic characteristics to culture genesis. Remembering “out of Africa” human evolution theory, it may be proposed that cultural diversity related to deep limbic and oldest neo-cortex layers of human brain because at the time of their development early human groups started their spreading all around the world. This investigation is, however, out of the scope of this Dissertation work.

For the testing these results statistically 16 housing style images were selected according to nine categories found. It is impossible in reality to find a housing style contained just one of these categories. Usually, housing design consist of two or more of them. The images were coded with the different mixes of the categories in different proportions. According to quantity of the category in the design, “2” coefficient was used (Appendix 1).

Hypotheses were formulated and image-based questionnaire was developed for their testing.
The second quantitative phase of the research also revealed the high likelihood of being true these results.

5.1.5 Quantitative findings

The Hypotheses testing was divided into two stages, the significance of the differences among the groups was tested firstly and the patterns inside each group separately with comparative analysis among the groups were tested after it. At the first stage non-parametric Kruskal-Wallis test was used for testing the significance of the differences among the groups. Descriptive analysis at the second stage allowed understanding scores within each group and also comparing of scores among them in order to find the highest ones. All tables and charts with comments are shown at length in Chapter 5. However, for ease of reference they are summarized below:

Non-parametric and descriptive analyses results revealed the followings:

1. The distribution of Wood (Chi Square= 73.916; p= 0.000; Mean Rank= 480.48), Garden (Chi Square= 87.296; p= 0.000; Mean Rank= 473.63), Yellow (Chi Square= 26.788; p= 0.000; Mean Rank= 427.39) is significantly different across categories of races with the highest values for the Czech group. Thus, H1 is accepted with 0.05 level of significance.

2. The distribution of Big House (Chi Square= 187.210; p= 0.000; Mean Rank= 538.12), Light-well/White (Chi Square= 224.005; p= 0.000; Mean Rank= 559.50), Simple Furniture (Chi Square= 226.268; p= 0.000; Mean Rank= 548.71) is significantly different across categories of races with the highest values for the Turkish group. Thus, H2 is accepted with 0.05 level of significance.

3. The distribution of Small House (Chi Square= 201.160; p= 0.000; Mean Rank= 514.10), Oven (Chi Square= 241.999; p= 0.000; Mean Rank= 547.47), Warm Colors (Chi Square= 167.162; p= 0.000; Mean Rank= 521.19) is significantly different across categories of races with the highest values for the Russian group. Thus, H3 is accepted with 0.05 level of significance.
5.1.6 Discussion

The differences among the groups were confirmed as being statistically significant (p=0.000) by the use of Kruskal-Wallis test. It means, the people from different groups indeed prefer the different characteristics in housing design. Exact characteristics preferred were established by the use the descriptive analysis.

As a summary, the empirical research has shown that during dwelling decision-making process, people that belong to Czech cultural group, value characteristics focused on Nature, namely Wood, Garden, Yellow. Turkish people prefer characteristics of Cleanliness (Big house, Light-well/White, Simple furniture); and Russians feel comfortable with characteristics focused on Heat, such as Small house, Oven, Warm colors.

It helps to explain many phenomenon, for example, why Czechs prefer big windows while Russians feel more comfortable with small ones, why Turks desperate for an additional pipe inside of WC, why Turkish garden is mostly “civilized” with concrete and smooth grass while Czech one consists of soil and plants with minimum concrete. As it can be inferred from the results, even if the modern diversity of dwelling components gives a feeling of the disappearing of the traditional home scheme, there are inherited cultural basics evolved through thousands of years as a fitness-enhancing home style for the certain cultural group. Consumers unconsciously choose products that are in line with their cultural group’s basics.

A view from angles of Maslow’s hierarchy of needs and McLean’s evolutionary Triune Brain Theory allows better understanding of patterns found. Application of the findings to Kotler’s 4P’s and 5M’s for segments emerged according to Maslow-McLean combination provides a working example of marketing strategy for three target groups.

Integration of the findings into Maslow-McLean-Kotler combination

Returning to the question raised in Chapter 1, the findings may be integrated into Table 1.3 in following way:
### Table 5.2: Finding integration into the model Maslow-McLean

<table>
<thead>
<tr>
<th>Levels of cognitive needs</th>
<th>Parts of Brain with period of evolving</th>
<th>Levels of residential space</th>
<th>Czech Republic (Nature)</th>
<th>Turkey (Cleanliness)</th>
<th>Russia (Heat)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Neo-cortex</td>
<td>Home:</td>
<td>“Forest house”, full natural view, glass walls</td>
<td>Creative abstract image of cleanliness, special lighting system, huge house with plenty of spacious rooms</td>
<td>Under floor heating system, sauna, fireplace, feather carpets</td>
</tr>
<tr>
<td></td>
<td>Thinking, analysis, learning</td>
<td>Symbol of success</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>400,000 years ago</td>
<td>Abstract ID (Luxury, Elite renovation)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Homo Sapience</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Emotional Brain (Limbic system)</td>
<td>House:</td>
<td>Private house, garden, big windows, fireplace</td>
<td>Spacious rooms, easy cleaning, few furniture, light-well, big windows, convenient plumbing</td>
<td>Hot water system, carpets, plastic windows</td>
</tr>
<tr>
<td></td>
<td>Emotion and motivation; child care</td>
<td>Comfort, practice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.9 million years ago</td>
<td>Family wellbeing (Western-style, Cosmetic renovation)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Homo Erectus</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>R-complex (upper brain stern)</td>
<td>Dwelling (Shelter):</td>
<td>Fresh air, wood, trees</td>
<td>Tiles, white, running water, sewage</td>
<td>Heat insulatio n, small room, source of heat</td>
</tr>
<tr>
<td></td>
<td>Reflects and instincts; survival</td>
<td>Survival necessity (Studio, Standard)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2.4 million years ago</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Homo Habilis</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s elaboration, 2013

As it could be inferred from the table above, columns and rows are interrelated to each other and within themselves. Columns have an ascending order; every upper part includes either all down parts. Every row has a common characteristic among its parts, for example, a common characteristic within the second row is family: every part concentrates on it.
Three levels of residential space, together with levels of needs and evolutionary periods, are useful for product segmentation strategy on housing market; moreover, it is already widely used by marketing specialists. Usually housing products are divided to standard and luxury categories that allow identifying consumer segments with different income levels and thus, preferences. The categories may differ across countries; for example, in Russia because of large stock of Soviet era poor quality block mass housing most of which may be considered as Shelter, there are different renovation styles for converting it into various categories of housing. Elite renovation housing is included to luxury category that may be considered as Home, Western-style and cosmetic renovation housing may be referred to House level, and rest of standard old mass housing with poor quality and functionality may be attributed to Shelter.

Czech housing stock also includes Panelaks block mass housing as Soviet era heritage, small housing consisting of just one room without any bathroom and/or kitchen is quite common and clearly may be classified as Shelter.

Shelter level of housing may be hardly found in Turkey, with exception of social housing such as homeless shelters and dormitories. The reason lays in historical Government policy and Housing Law. Historically, there was insufficiency of large-scale housing projects in Turkey. A key element in mass housing development, Mass Housing Law with Housing Development Fund, was effective just about a decade since its first adaptation in 1981 and till major economic and political challenges in 1993. Small constructors were more customers oriented with individual small-scale projects that allowed maintaining of traditional housing style. So, housing in Turkey may be divided into two categories, Standard and Luxury.

Relating Maslow’s statement to housing market, as soon as needs for Shelter are gratified home users will aspire to go up to House level of cognitive needs and after it to the highest level of needs, that is Home. Thus, every level of residential space includes all lower levels as well. So, rich Russian customer beside of under floor heating system will still look for small crowded rooms and well-insulated plastic windows in opposite to Czech who will still prefer wooden windows with plenty of fresh air and Turkish who will still look for white tiles and empty spacious rooms.

As it was mentioned above, Maslow’s hierarchy of needs is useful for
customers’ segments definition and segmental marketing strategy development. Marketing strategy includes whole marketing mix or 4P: Product, Price, Place, and Promotion. Housing market has some unique features like average price for square meter of housing, which is among main economic indicators of certain region with exception for luxury housing. In Turkey, luxury housing differs from standard by location, size and materials used. Also prices are relatively low, Turkish housing is relatively big, the smallest one consists at least of two rooms. Luxury housing in Prague differs also mainly by location as the cheapest Panelaks are situated in certain areas, mainly in outskirts of the city, like Prague 21. In Russia average prices for new housing are about 13% lower than for secondary, it is because of new housing is being sold without any or with minimum finishing, so it means, the buyer will also pay for design and reconstruction.

Place/Distribution strategies tend to be exclusive through one real estate agency or even directly from owner to customer. Customers look for housing at the certain area, often quite small, so they prefer to contact local agents or direct owners who are able to give all specific details and have an access to the housing. It is common for Russian real estate agencies to have selling contracts, signed by house owners, with a requirement of exclusivity.

Promotion of housing product consists of advertising that is one of the most important ways of company-customer communication. Usually, Housing products are being distributed through exclusive real estate agents that are already well known in the target area. Advertisements in most cases are placed in Internet; new neighbourhood developments are often advertised at the street banners and on TV. Dwelling (Shelter) level housing product already has an advantage of lower price, so advertising is not as important as for House and Home level products. Working creative promotion advertising strategy must have well memorable short point; it may be a logo or catchy, snappy short tagline that grabs the customer’s attention and makes her or him to read or listen more in order “to get the joke”. It should appeal to exact target audience considering its needs and expectations. Here, there is a wide space for application of Maslow’s pyramid and cultural categories found in previous studies and related to it. Core categories are useful for short catchy taglines and logos. Categories may be useful for further scene development. It is important to appeal to right customers segment, for example, while Dwelling level customers segment consists mostly of young singles, that like humour and
trendiness, House and Home segment customers value more sophisticated humour and quality and they will hardly be impressed by simple advertisements for youths. While House level product advertisement should either point practice and convenience in use of rooms and appliances, Home advertisements emphasizing high quality should show an image created by housing product in others’ minds. The main images created by advertisement in customers’ minds should be Freedom and Adventure for Shelter, Family and Friends for House and Symbol of Luxury and Success for Home levels.

Marketing Mix suggestions for each segment of the Housing market are shown in the Table 5.3.

Table 5.3: Suggestions for Kotler’s 4P’s and 5M’s

<table>
<thead>
<tr>
<th>Market segment</th>
<th>Marketing Mix 4P and 5M</th>
<th>Czech Rep. (Prague)</th>
<th>Turkey (Istanbul)</th>
<th>Russia (Moscow)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Home:</td>
<td>High income families and singles (~20% of population)</td>
<td>Private house or castle inside of a big garden or park or even natural forest, huge windows, glass walls, interior design gives a feeling of forest extension</td>
<td>House on the hill or apartment with full landscape view, for example sea view, huge snow-white balcony, huge windows, shining-white walls and ceilings, reflective elements, like chrome, mirror, shining tiles, hidden furniture like fitted wardrobes and cupboards, air conditioning system fitted inside of the walls</td>
<td>Private house, single or inside of a private village, with excellent safety system, private roads, autonomous system of heating, water and electrical supply, additional under floor heating system, sauna, big fireplace</td>
</tr>
<tr>
<td>Price</td>
<td>Average price is 7000 USD per m sq. but may be much higher</td>
<td>Average price is 4680 USD per m sq. but may be much higher</td>
<td>Average price is 23.470 USD per m sq. but may be much higher</td>
<td></td>
</tr>
<tr>
<td>Place</td>
<td>Prague 3, Prague 1</td>
<td>Beşiktaş, Beyoğlu, Sanyer, Şişli, Uskudar, Çıngır, Beykoz, Boğaz</td>
<td>Also luxury housing may be found in every Moscow district, places of their high concentration are: Rublevka, Arbat, Tverskaya, Ostojanka, Kitay-Gorod</td>
<td></td>
</tr>
<tr>
<td>Promotion:</td>
<td>1. The main goal is to persuade, the</td>
<td>1. The main goal is to persuade, the</td>
<td>1. The main goal is to</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>---------------</td>
<td>---------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>secondary goal is to inform</td>
<td>2. Full budget</td>
<td>3. Presence outside, for example at a wild forest, without walls but with convenience of modern technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>secondary goal is to inform</td>
<td>2. Full budget</td>
<td>4. Personal communication: internet adverts, selling (real estate agents etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Feedback from target audience about their feelings toward the home product</td>
<td>3. Effect of presence outside, for example at a wild forest, without walls but with convenience of modern technology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Feedback from target audience about their feelings toward the home product</td>
<td>4. Personal communication: internet adverts, selling (real estate agents etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Feedback from target audience about their feelings toward the home product</td>
<td>5. Feed-back from target audience about their feelings toward the home product</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4. Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-personal: TV adverts &amp; billboards (large-scale projects), endorsements</td>
</tr>
<tr>
<td>Non-personal: TV adverts &amp; billboards (large-scale projects), endorsements</td>
</tr>
<tr>
<td>5. Feedback from target audience about their feelings toward the home product</td>
</tr>
<tr>
<td>5. Feedback from target audience about their feelings toward the home product</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5. Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The main goal is to persuade, the secondary goal is to inform</td>
</tr>
<tr>
<td>1. The main goal is to persuade, the secondary goal is to inform</td>
</tr>
<tr>
<td>1. The main goal is to persuade, the secondary goal is to inform</td>
</tr>
</tbody>
</table>

### House:

**Comfort, practice, Family wellbeing (Western-style, Cosmetic renovation)**

*Low and middle income families (~60% of population)*

<table>
<thead>
<tr>
<th>Product</th>
<th>Price</th>
<th>Place</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-4 rooms apartment with balcony and garden view or private house with garden, big windows, fireplace</td>
<td>Average price is 2500 USD per m sq.</td>
<td>Prague 5</td>
</tr>
<tr>
<td>4-5 spacious rooms apartment about 150 m sq., light-well, with big windows, white tiled balcony and bathroom, convenient plumbing and sewage for easy cleaning with running water, few furniture</td>
<td>Average price is 1270 USD per m sq.</td>
<td>Büyükkçekmece, Gazi Osmanpaşa, Güngören, Beylikdüzü, Sultanbeyli, Pendik, Tuzla</td>
</tr>
<tr>
<td>3-4 relatively small insulated rooms apartment, rooms in convenient for use order, 24/7 hot water system, central heating system, carpets, plastic windows, kitchen with oven</td>
<td>Average price is 5000 USD per m sq. but varies about 20%</td>
<td>Ramenki, Otradnoye, Donskoy, Sokol, Strogino, Kuntsevo, Sokolniki</td>
</tr>
</tbody>
</table>

**Promotion:**

1. The main goal is to persuade, the secondary goal is to inform

1. The main goal is to persuade, the secondary goal is to inform

1. The main goal is to persuade, the secondary goal is to inform

Average price is 2500 USD per m sq.

Average price is 1270 USD per m sq.

Average price is 5000 USD per m sq. but varies about 20%
### 2. Money
- Reduced budget
- Reduced budget
- Easy cleaning should be the central point, convenience of using running water and appliances

### 3. Message
- Garden activities, image of garden as a part of house
- Reduced budget
- Safe, cozy place, taking care of its inhabitants
- Advertisement should be around trees and fresh air, may be some kind of fly in forest.

### 4. Media
- Personal communication: internet adverts, selling (real estate agents etc.)
- Non-personal: TV adverts & billboards (large-scale projects)
- Personal communication: internet adverts, selling (real estate agents etc.)
- Non-personal: TV adverts & billboards (large-scale projects)

### 5. Measurement
- Feedback from target audience about their feelings toward the house
- Feedback from target audience about their feelings toward the house

### 3. Dwelling (Shelter):
**Survival necessity (Studio, Standard)**

<table>
<thead>
<tr>
<th>Homeless, youngest income families and singles (~20% of population)</th>
</tr>
</thead>
</table>

#### Product
- Basic housing consists of single room with tree or greenery view from the window and fresh air circulation
- Basic, insulated one room housing with heater and small kitchen.

#### Price
- Average price is 2000 USD per m sq.
- Average price is 4000 USD per m sq. but varies about 20%

#### Place
- Prague 21
- Outside of MKAD, Birulevo, Solntsevo, Vihino, Butovo

#### Promotion:
<p>| 1. Mission |
| 2. Money |</p>
<table>
<thead>
<tr>
<th>3. Message</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The main goal is to inform</td>
</tr>
<tr>
<td>2. Low budget</td>
</tr>
<tr>
<td>3. Advertisement should be around trees and fresh air, may be some kind of fly in forest.</td>
</tr>
<tr>
<td>4. Personal communication:</td>
</tr>
<tr>
<td>1. The main goal is to inform</td>
</tr>
<tr>
<td>2. Low budget</td>
</tr>
<tr>
<td>3. The central point should be warmth of heater in small room. May be a warm sleep.</td>
</tr>
</tbody>
</table>
As it is seen from the examples above, Maslow’s hierarchy of needs with culture in its basis may be useful for improving marketing strategy and thus sales for different segments of market. Examples for housing market clearly show differences in perception of ideal housing and expectations of different segments of customers in different cultures. Also upper level of needs includes lower levels; segments of customers with different needs within one culture differ significantly by price and place of distribution. Product and promotion for different segments have common attributes but different expectations within one culture, applying this knowledge, however, will result in optimal product and advertisement development with lower costs and possibility to sell with the highest possible for the segment price.

Knowledge of cultural categories and needs of different segments in different cultures is beneficial for international companies that are common in multicultural EU.

5.2 Contribution to Science and Knowledge; policy and practice implications

5.2.1 Previous knowledge

A growing body of studies analysed immigration and its impact on host economy. The topic of greatest current interest is contribution of immigrants to host country. Migration influences wellbeing of the population through wide range of channels such as labor market that is well-studied topic. However, final judgments and decisions should be made after investigation of other channels as well. Immigration influences the host economy not only through the supply but
also through the demand side. One of such non-labor channel is housing market that is one of the main economic indicators. Housing represents a considerable share of households’ wealth; and the housing-related expenses represent an important part of the overall expenses for the majority of households (KALANTARYAN, 2013). Migration includes many aspects, and cultural difference is an important one, which determines migrants’ lifestyle, preferences and behavior as consumers. Becoming a part of host market they create a different set of preferences and requirements for products and services. Housing as a medium of socio-cultural characteristics of the owner is one of the products most influenced by migration. However, there is just a few studies investigated cultural influences on housing; and only a couple of them are in EU (KALANTARYAN, 2013), (GONZALEZ & ORTEGA, 2013). The current research was a mixed method exploratory study investigated cultural differences in housing preferences of participants from three cultural groups close related to EU, namely, EU member, Czech Republic; candidate to EU member state, Turkey; and non-EU member with great amount of migrants to EU, Russia. National origin was used as an indicator of respondent’s cultural background. The results of this study have shown an importance of cultural variables in consumers dwelling decision-making process contributing to a few scientific research fields, such as marketing, sociology and immigration.

Since migration became a hot topic of political debates in EU, growing body of economic literature focuses on immigration impact to the host economies; but this literature mainly investigates the issues in relation to the labor market outcomes. The paper contributes to the existing literature on immigration in the following ways: first, Czech, Turkish and Russian housing markets have rarely been considered in relation to migration cultural flows. This study enhances the understanding of the impact of cultural background to housing preferences for Czech, Turkish and Russian cultural groups. Second, the attempts to estimate the influence of immigrants’ culture on the housing preferences have been made mostly for the USA. With the exception of Kalantaryan (2013) and Gonzales & Ortega (2013), the influence of immigrants’ culture on the European housing markets remains unexplored by economists. The effects documented in studies conducted for USA are not directly applicable to the European reality due to the fundamental differences in the nature of housing markets and immigration between the US and European countries (KALANTARYAN, 2013). This research explores the cultural preferences of target cultural groups and therefore, enhances our understanding of the influence that immigration from
these cultural groups has on the European housing market. It makes this study remarkable in a wider context because it motivates the future research of the cultural influence of immigration on housing markets in EU. Third, it contributes to the recently emerging branch of literature on the cultural influence of immigration in general.

The study results correspond with previous works in the field of culture contributing to sociology literature; but the most valuable contribution of this study beside immigration is in the field of marketing and management. The work contributes to the existing literature on marketing and management in the following ways: first, this study provides qualitative cultural insights on consumers’ dwelling choice issue. According to the review of literature, the most of previous research efforts related to factors affecting dwelling choice were conducted from engineers’ points of view. These studies in most cases were concentrated on factors like insulation, heating systems, accessibility, security systems and dwelling economy. In spite of quite often mentioning of the cultural factor as one of the most significant in dwelling choice, it is almost impossible to find any study related to the cultural meaning of Home in dwelling choice in target cultural groups. Second, Czech, Turkish and Russian housing markets have never been considered in relation to migration cultural flows. This study enhances the understanding of the impact of cultural background to housing preferences for Czech, Turkish and Russian cultural groups. This knowledge contributes also to management literature focused on cultural differences of co-workers, communications among them, their office and work behavior and preferences. Third, chosen methodological approach is different from one used in majority of general marketing research but with respect to approach dominating in cultural housing literature in USA. The methodological model contributed to marketing literature by this study includes a combination of in-depth interviews for formulating of the hypotheses, with converting the cultural variables found into images for questionnaire; and image based questionnaire as a hypothesis-testing instrument in the field of cultural issues of consumers dwelling choice in marketing. Neither in-depth interviews nor image-based questionnaire methods are new; moreover they are wide used in sociological and psychological research. The benefits of these methods were discussed in the previous section. In-depth interviews method is very popular in cultural research. For example, Swift (1997) used it for investigating cultural patterns of British CEOs (SWIFT, The Relationship Between Market Culture and Market Language: British Executives in Overseas Markets, PhD thesis,
Jabareen (2005) in his study concluded based on 1,269 face-to-face interviews that housing preferences in Gaza are determined by components of culture (JABAREEN, 2005). So, each of these methods is not new, but innovative element is the way of using of their combination applying to consumers dwelling preferences research. In spite of some limitations that will be discussed in the next sections, this methodological model, characterized by low bias and high response rate, was successfully applied for achieving the research goals.

The results of the study contribute to understanding target groups’ members’ behavior and may be applicable to many practical tasks from development of successful products to multicultural company management (Picture 5.1). Housing models created according to suggestions of the current study with respect to different cultural preferences should increase the quality of life for all residents, accommodate migrants’ population growth, and offer companies a fertile model to profit from the increasing housing demand forecasted for the nearest future. Also, the results contribute to understanding of need for changes in housing policies of states toward increasing quality of housing, shift to user oriented approach in housing design and meeting requirements of all society members including immigrants.

The Picture 5.1 shows the way of using the research knowledge.

<table>
<thead>
<tr>
<th>Who?</th>
<th>What?</th>
<th>When?</th>
<th>How?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>Research method, Findings</td>
<td>Designing, production and service</td>
<td>Conducting marketing research, Reference</td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td>stages, Designing an advertising</td>
<td></td>
</tr>
<tr>
<td>companies:</td>
<td></td>
<td>company</td>
<td></td>
</tr>
<tr>
<td>-Constructors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Designers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Suppliers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academia</td>
<td>Research method, Findings</td>
<td>Research process</td>
<td>Conducting further research, Reference</td>
</tr>
<tr>
<td>Media</td>
<td>Research method, Findings</td>
<td>Designing an advertising company</td>
<td>Conducting marketing research, Reference</td>
</tr>
<tr>
<td>Real estate</td>
<td>Research method, Pricing,</td>
<td></td>
<td>Conducting</td>
</tr>
<tr>
<td>agencies</td>
<td>Findings</td>
<td>Designing an advertising company</td>
<td>marketing research, Developing model</td>
</tr>
<tr>
<td>------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Government bodies</td>
<td>Research method, Findings</td>
<td>Policy making</td>
<td>Conducting marketing research, Developing policies</td>
</tr>
<tr>
<td>Home buyers</td>
<td>Findings</td>
<td>Using the housing product</td>
<td>Reduction of rebuilding costs, Increasing quality of life</td>
</tr>
<tr>
<td>Company Management</td>
<td>Research method, Findings</td>
<td>Work space management, communication inside of company</td>
<td>Work space design, communication inside of company</td>
</tr>
<tr>
<td>Entrepreneurs</td>
<td>Findings</td>
<td>Embodying Innovation</td>
<td>Innovative Investment</td>
</tr>
</tbody>
</table>

**Picture 5.1: Importance of the research knowledge**

*Source: Author’s elaboration, 2013*

### 5.2.2 Practice

The current research is of interest to practitioners as either methods or findings. The suggested methodological model is easy adoptable by company managers. The qualitative part is flexible and could be a source of wide range of useful data. The image-based questionnaire in the quantitative part gives a high response rate and is easy to apply. The benefits of these methods were discussed in previous sections of this chapter.

The research findings can be used in marketing strategy design of either target countries’ domestic and international companies and policy makers or those in other countries with migrants from the target countries. Companies related to construction industry are either producers or service providers, such as construction companies, construction suppliers, construction components producers, consulting companies, real estate agencies, media producers, and financial companies. Numbers of some of these companies and main migration destinations were given in Chapter 3.

The study revealed the relations between culture and housing preferences in Czech, Turkish and Russian cultural group of respondents. Culture influences every aspect of housing such as fixed constructing elements, decoration treatments, finishing, and semi-fixed elements of furniture and decoration. So, developers should plan research in details according to the current product or
service. For example, a window producer should include questions to the interview and images to the questionnaire reflected all aspects of using windows such as a whole building, interior design of different places, furniture, lighting, air conditioning, and ways of using windows.

These users are suggested to use the found cultural categories in designing and launching their marketing strategies. Table below shows possible using of the study findings.

Table 5.4: Possible using of the study findings

<table>
<thead>
<tr>
<th>Building components producer</th>
<th>Czech Republic</th>
<th>Turkey</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction company</td>
<td>Development of housing model centered on Nature: Detached house with garden or apartment felt like detached house (garden-like balcony, courtyard view); Natural finishing materials; Construction allowed feeling of being outside (big windows and doors, glass walls or roof)</td>
<td>Development of housing model centered on Cleanliness: Well-developed water communications Spacious rooms; Smooth surfaces; Easy reachable spaces; Well-adjusted natural lighting; Construction allowed feeling of being sterile</td>
<td>Development of housing model centered on Heat: Thick walls; Massif windows with double glass; Floor heating system; Small rooms; Wooden materials; Practical multifunctional furniture; Construction allowed feeling of being heat protected</td>
</tr>
<tr>
<td>Architect</td>
<td>Large windows with slim frame; Easy opening; Big opening area; Feeling invisible</td>
<td>Large windows with plastic frame; Wide opening; Easy cleaning; Feeling sterile</td>
<td>Smaller windows with thick frame; Double glass; Feeling of protective wall</td>
</tr>
<tr>
<td>Windows</td>
<td>Large room with big windows; Natural materials like ceramic, stone or marble; Natural ergonomic equipment; Big furniture</td>
<td>Large room with small windows; White ceramic; Well developed sewage; Just a few necessary equipment and furniture; Closet is with additional pipe</td>
<td>Smaller room with small windows or without any; Floor heating; Additional heater for drying towels; Practical furniture</td>
</tr>
<tr>
<td>Bathroom</td>
<td>Natural components like decorative bricks, stones, wood; Overall yellow gamma</td>
<td>Washable light plastic color; Antiseptic</td>
<td>Wood, thick quality wallpaper, carpet; Warm colors</td>
</tr>
<tr>
<td>Interior wall finishing</td>
<td>Advertising should concentrate on image of housing inside of nature; Feeling of being in the wild nature with fresh wind</td>
<td>Advertising should concentrate on image of sterile housing; Feeling of snow-white shining</td>
<td>Advertising should concentrate on image of small cozy hot house versus snow and winter outside; Feeling of protected small world</td>
</tr>
<tr>
<td>Company management</td>
<td>Well conditioned working place with</td>
<td>White spacious working place, more</td>
<td>Well heated cosy office with small windows</td>
</tr>
</tbody>
</table>
The results of the current study give the wide range of opportunities for the creative practical strategic solutions. Producers can use them for increasing of quality of production; distributors can use them for enhancing of the effectiveness of advertising companies. Producers of Turkish housing should make every effort to create an easy cleaning house. It can include some floor drainage system or cleaning appliances. Producers of Russian housing should pay attention to every type of heating inside of the house. It can be some unique heater or oven design or floor heating system. Producers of Czech housing should create a nature friendly housing. It can be some individual places for plants or using wood or some plants design. According to the results of this research, these applications that point out the certain core cultural categories will increase competitiveness of the housing product. Often constructors spend money for unnecessary from cultural needs and expectations point of view elements in the house, that increases costs and decreases profits. For example, one Turkish luxury-housing constructor used expensive solid wood floor in their luxury apartments in Istanbul. However, wooden floor is an attribute, important for Czech customers, and is not a decisive factor for Turkish. Cheaper tile floor was going to have even more positive effect on Turkish customers as it shows the place more spacious and clean. The constructor could save about 1000 Euros if the floor in this single room was tiled. Total saving for each 4 rooms apartment was going to be at least 2500 Euros and 120.000 Euros for a building of 50 apartments.

Decreasing costs and increasing profits is one of the main purposes of company management and marketing. Using Maslow’s hierarchy of needs and related cultural categories in Marketing Mix allows developing successful and competitive advantage gaining marketing strategy for company in intercultural market.

Some of my colleagues may be disagree and argue that customer choice is a complex process and its other aspects such as supply-demand curve should be taken into consideration as well. It is clear that one interested in precise results should investigate the issue as wide as possible but this Dissertation work is not able to
include all the aspects of this complex topic. As rational customer behavior is a well studied (mostly quantitatively) issue, it is, however, out of the scope of the current research that emphasizes the context eliminated as a “noise” by mentioned above studies.

As demand for multicultural construction projects is steady growing, deficiency of research on this area becomes clearer. Example of such a multicultural project may be a construction of touristic facility in Dubai. Dubai has perfect financial conditions for brave construction experiments. For example, well known artificial islands project or Hotel Burj Al Arab that is the first 7 stars hotel in the world. Highly dependent on touristic industry UAE has to respond to needs of all cultural groups of visitors; and it has necessary financial potential for it.

These projects have to accommodate different cultures in one place.

Cultures may have some pseudo similar points. Seemingly similar, they, however, have different underlying mechanisms. One more contribution of this study to existing literature is revealing these invisible differences. In the case of three target cultures these pseudo similar points are shown at the Picture 5.2.

![Picture 5.2: Pseudo similar points of cultures](image)

*Source: Author’s elaboration, 2014*

As it is seen at the Picture 5.2,
Turkish- Czech pseudo similar point is Big windows but underlying mechanisms are different; for Turkish: more light and air for easier cleaning; for Czech: feeling of being outside.

Czech-Russian pseudo similar point is Wood but for Russians it gives a feeling of warmth, for Czech - feeling of being in natural environment.

As multicultural project has to cope with several different cultures that have different and pseudo similar points, further working over improving flexibility of Construction Company’s structure according to needs of the certain project may be suggested. The structure should be like a chain of linked units. There must be units specialized on the certain culture’s requirements. Every project requires the certain structure of chain that should be easily either put together or broken apart after finishing the project. The chain structure of Construction Company may improve project quality and reduce adaptation time and costs.

5.2.3 Immigration policy

As a contribution to immigration policies development, Architect and Council are the most important users of the current research findings.

As it can be seen at the scheme (introduction) the key element in housing design process is Architect. The main problem is that often people are forced to live in housing designed according to another cultural group requirements. Housing conditions are basically the result of the interrelation between the resources and preferences of households (VANKEMPEN, 2003). Culture is just one of the factors influencing dwelling decision-making process. For low-income group customers, for example, decisive factor often is price. However, cultural factor is crucial for customers’ satisfaction. It is necessary for increasing the quality of housing and the quality of life. “Every house design reflects some form of socio-cultural characteristic; these characteristics can either be that of the architect, the end-user or an imported culture. When the socio-cultural characteristics of the house owner are not reflected at the house design, then the house owner will try to improve the product” (ADEDAYO, 2011)

Housing design process (Picture 5.3) is creative. According to Uji (2002) architecture is the activity of combining rational, systematic and objective
factors on one hand and intuitive, imaginative and subjective factors on the other hand, which results in housing production (UJI, 2002).

It is the main point of adopting the housing to needs of the certain cultural group.

![Housing design process diagram](source)

There is no specific form a housing design should take, but left to the imagination of the architect which is subject to his training in school and experience in practice (ADEDAYO, 2011).

The suggested methodological model may be used at Accumulation and Analysis of Data stages. Research should be focused on potential homeowners. It is strongly recommended to conduct also post-occupancy evaluation.

Developing immigration policies is necessary for keeping migration under the control and ensuring benefits for the host economy. As a housing
environment is an important element of wellbeing, housing policies should be developed within government immigration laws. Current situation is that architects are often oriented on quantity and reduction of construction costs as well as saving the time. Housing policy should force them for quality and end user oriented housing design. Quality means “a need for the architects to reflect the socio-cultural values of the people they design houses for” (ADEDAYO, 2011). The main responsibility of the architect is to meet the needs and expectations of the end user, i.e. customization. The main responsibility of the government is increasing of quality of life that includes quality of housing, for all members of the society including migrants. As example of practical step, requirement for post occupancy evaluation might be included in the housing policy. It will force architects and designers to research for real needs of end users, and will shift towards user oriented housing design.

Also, it is necessary for government to create entrepreneur friendly environment in the field of construction. As Schumpeter contends, entrepreneurs face immense difficulties during innovative investments. “First, the knowledge necessary for entrepreneurial decisions lies outside the known and accurate data of the circular flow and thus is shrouded in uncertainty. Second, objective uncertainty is compounded by subjective reluctance of individuals to strike out into the unknown. Third is the antagonism of non-innovators to the pioneer- in the form of legal arid political obstacles, social mores, customs, and the like” (SCHUMPETER, 2012). Government’s steps for solution may include changing in legislation policies and education system in order to reduce obstacles either in laws or in minds. Also, government may create programs for better financial stimulation of innovation process in the field of construction.

5.2.4 Macroeconomics

At the level of Macroeconomics, returning to Schumpeter’s Theory of Economic Development, economic surge and prosperity are linked to innovation. Economic development is based on the “carrying out of new combinations” and entrepreneur is the main agent of economic restructuring and innovation. According to Schumpeter, entrepreneurship is “the carrying out of new combinations . . . As a rule, the new combinations must draw the necessary means of production from some old combinations . . . development consists
primarily in employing existing resources in a different way, in doing new things with them” (SCHUMPETER, 2012). As suggestions for entrepreneurs, the findings may be applied in two points of the scheme (Picture 1.7): architect (project level changes) and house seller (improving design of existing housing). Global changes of project during architectural design process (Picture 5.2) may be applied by feedback loops. At the point of house seller possible changes are minor and may be called renewing. Its limitations are difficulties of rough construction changes like enlarging rooms, possibility of just finishing works.

Suggestions for both influence points are shown at the table below. As a future design suggested may sound a bit fantastic, possibility of seeing it in the near future because of external factors is also given at the table 5.5.

Table 5.5: Future design and Renewing suggestions

<table>
<thead>
<tr>
<th></th>
<th>Czech Republic</th>
<th>Turkey</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Future Design</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Multilevel apartments blocks</td>
<td>Building materials:</td>
<td>Autonomic system of rooms built inside of solid rock that constitutes a close system providing all necessary life support to its inhabitants. Similarly to apartments buildings, the neighbourhood may be built at different levels of the rock.</td>
</tr>
<tr>
<td></td>
<td>Every apartment consist of a family house with its private mini forest</td>
<td>Mud repellent or self-cleaning building materials. Bug and insects repellent basic building materials such as cement and sand or their substitutes. Advanced cleaning and cooking technology such as robot cleaners and cooking recipes demonstrator kitchen robots. Surfaces non-stick for mud.</td>
<td>Chance of occurrence in near future: 10%</td>
</tr>
<tr>
<td></td>
<td>Chance of occurrence in near future: 0.1%</td>
<td>Chance of occurrence in near future: 70%</td>
<td></td>
</tr>
<tr>
<td><strong>Renewing</strong></td>
<td>Problem: Deficient windows, deficient natural materials, deficient garden, deficient air circulation.</td>
<td><strong>Problem:</strong> Deficient water supply and sewage system, deficient easy cleaning areas and surfaces, deficient lighting (either natural or artificial).</td>
<td><strong>Problem:</strong> Deficient insulation, too large rooms, deficient heating system.</td>
</tr>
<tr>
<td></td>
<td><strong>Solution:</strong> Enlarging windows, making new ones wherever it is possible, replacing old windows with ones allowing better air circulation.</td>
<td><strong>Solution:</strong> Building more sophisticated water supply and sewage system, renewing pipes by ones with larger diameter.</td>
<td><strong>Solution:</strong> Building additional heat insulation coating or replacing the old with better one.</td>
</tr>
<tr>
<td></td>
<td>Using natural materials for finishing, for</td>
<td>Areas: removing and</td>
<td>Building room-in-room using for example plasterboards, building additional elements on the walls with visual effect of lessening room, for</td>
</tr>
</tbody>
</table>

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example, solid wood parquet, and wooden panels at the walls, natural paints allowing walls to breathe.

Enlarge garden space wherever it is possible, building additional places for plants inside and outside wherever it is possible.

Building more sophisticated air conditioning system or replacing the old with more capable one.

Hiding pipes, heating and conditioning system, protrusions, for example, behind plasterboard.

Surfaces: using plaster and stucco mixed with waterproofing materials and insects killing liquids or limestone, antiseptic paint with silicone, tiling wherever it is possible.

Enlarging windows, making new ones wherever it is possible; building more sophisticated lighting systems.

Example, fake windows and fake fireplace.

Building more sophisticated heating system, placing additional radiators, replacing old radiators with more efficient ones; building additional heaters such as fireplace.

**Source:** Author’s elaboration, 2014

### 5.2.5 Marketing Mix 7 Ps Model

The research was centred on customers' cultural housing preferences forming an image of a Dream House, which might be considered as intangible service element surrounding the main housing product. This fact means the shift toward service and customer orientation in Construction industry, so traditional 4 Ps and even 5 Ps are not sufficient. Thus, the main contributing aspects of current work and suggestions to theoretical and practical marketing are embodied in 7 Ps Marketing Mix model below (Picture 5.4).

As 4 Ps were widely discussed in previous sections and Table 5.3, the explanations here will be made for the rest 3 Ps, namely, Physical Evidence, People and Process.
**Physical Evidence**

Beside a physical object of Housing, the company also sells a Dream House, which is intangible but a very powerful service element. The main goal is to make the customer «touching» it, either conscious or unconscious. For example, such unconscious physical evidence for Russian customers could be a warm air inside of the housing, and fresh well-circulated air with odour of forest for Czechs. The customer should encounter as many touchpoints as possible.

**People**

Beside stuff's appearance and behavior according to certain culture, that are out of the scope of the current research, Sales and Customer Service stuff has a direct impact on the perception of the product by customer. These people should make the customers feeling themselves like inside of the Dream House, salesmen must make customers aware of the tangible physical evidences.

**Process**

It is about customers’ convenience during decision-making and buying process. This P is close related to People. Beside of technical issues like
convenience of reaching the housing place, that are the same across cultural groups, it may include advice of suitable housing alternatives, that makes the decision making process more convenient. For example, getting Russian customer to the last floor apartment may make him bored, as unconsciously he will feel it poorly insulated. Similarly, Turkish customer unconsciously will feel uncomfortable at the ground floor as he will feel the pressure of whole building over him. Getting right customer to the right housing is the matter of convenience and satisfaction.

The information above leads to suggestion of first customer welcome survey. For example, the property selling company has a 20 floors residential building with many different apartments inside for sale in multicultural European city. The Welcome survey will give necessary information for making decisions about Who and Where will get the customer and What will emphasise during the appointment.

Either academic researchers or practicing marketing specialists may benefit from this model improving their research and marketing practice.

At the current stage of using marketing application in Construction and Housing sectors the overall suggestion for practitioners is to consider all 7 Ps in their Marketing Mix as Housing product is surrounded with an intangible service element that is an image of Dream House. The necessary information should be gained by Welcome customer survey that might content of image-based questionnaire similar to one used in the current research. People like to share their preferences unless they are bored of the survey. In case of the current research the response rate reached 97%. It may be also suggested to develop software for instant data processing that will also improve P of Process in the marketing mix. Customer service scheme of future property selling company is shown at the Picture 5.5.

The first time customer is welcomed by Receptionist and has a quick survey. Receptionist has simultaneously entered responses into the electronic dataset, and the instant feedback of the program was distributed among other company bodies including Sales Department and site workers. The appointed Sales representative instantly has all information about customer appointment and its guidelines.
Academic researchers may refer to the Marketing Mix Model suggested for deepening their research. Possible future research directions are given in the next section.
5.3 Further research

One of expected impacts of current dissertation work is motivation for further research of cultural influences to different aspects of economy in all over the world.

This study has identified the cultural characteristics preferred during dwelling decision making process by consumers from three target cultural groups; and indicated statistically significant differences in these characteristics among the target groups. There are certain other areas that come to light during the research process and analysis. These areas contain indicators for future, related research.

The first, and an obvious extension of the present study, would be to add another cultural group. It might, be for example, some of African or Far East cultural groups, that are seem to be totally different; or it might be some of very similar cultural groups, for example, some European one, that would allow to understand cultural nuances; or it might be another cultural minority groups in the same cities. The research question raised would be: What are the core categories for other cultural groups? Moreover, the possible larger sample would allow greater understanding of consumers’ perceptions and more precise statistical analysis.

Author’s on-going research on cultural housing preferences of English respondents with using similar in-depth interviews preliminarily shows Independence as a common pattern. However, this research is out of the scope of this Dissertation work.

The second possible approach would be to conduct the same research for the other industries, for example, for some retail products such as footwear or cars. The research questions raised would be: Does the core category remain the same for all industries within one cultural group? Are categories, emerged during the Focused cycle of interview coding, similar for different products and industries? The preliminary qualitative research carried by the author for watches and footwear in Czech Republic showed that the core category (Nature)
remains the same while categories are different. It is clear that more of the similar research is needed.

Also, research may be extended to level of building components. It might be for example furniture or a bathtub; or it might be a color or wallpaper. It would allow understanding nuances and develop more precise housing models. It would be beneficiary for practitioners.

Following the suggestions of the previous section, computer software similar to AXAPTA used in industrial companies may be developed for instant processing of the data and distributing the feedback among company bodies including Sales Department and site workers. It will significantly improve Process quality in the Marketing Mix model (Picture 5.4).

On the other hand, the research raises a very important ethical question that has never been discussed before, the question about ethical side of unconscious marketing. Knowledge of unconscious drivers of customers’ behaviour is a power that may be harmful if unscrupulous people use it. So, the question for further discussion and investigation is “Unconscious Marketing: Good or Evil?”

All of these areas would provide the basis for further research and should be considered as independent studies but added to overall direction of the present research.

5.4 Limitations of the study

Whilst every care was taken designing the research to ensure an objective, methodologically sound and logically executed study, anyone, attempting the similar study, should be aware of certain limitation, that, however, are not invalidating the findings.

1. As most of the previous studies this research has a small sample limitation. An ideal population research should include each member of the target population, but in practice due to time and financial limitation most of studies including the current one have to make decisions and claims based on smaller samples. In order to decrease a possible bias, a vast attention was paid to the sampling procedure to ensure that every member of the population had the equal chance to be inside of the sample. Whilst the choice of respondents from three
capitals has already been justified, it is felt that a similar sample taken from other regions might identify slightly different perspectives, so, it would be instructive to repeat the study with different samples and compare findings.

2. Translating bias is one of the most significant in international research. The author’s familiarity with languages of the target cultural groups decreased the possible translation bias. Every effort was made for the most precise translation as possible. Images used in the second stage of the research also significantly decreased the possible bias.

3. Technical bias because of inaccuracy can occur during the coding and entering the data. Great attention was paid to the accuracy during the research. In order to decrease this bias, all the data was checked and double-checked.

4. Response rate bias can occur if the response rate is low. It is essential because low response rate decreases representativeness of the sample and thus validity of the findings. In order to decrease this bias, prior notification and reminders were used. Moreover, images and shortness decreased boring and thus increased the response rate.

5. Validity of the qualitative data gained is one of the most significant factors. Long lasting in-depth interviews, conducted face-to-face, allowed gained more trustful qualitative data comparing to the other methods.

6. Attention should be paid to correct identification of the nationality of the respondents because sometimes they prefer to identify themselves not by their genes but by the place they live. In order to decrease this possible bias, additional questions about parents and place of birth were used.

7. As a price is often a decisive factor in dwelling choice process for low-income group of customers, their solvency may influence their responses. So, it is important to explain that price shouldn’t influence their choice.

5.5 Concluding comments

Every person is unique but have common cultural heritage with a certain group of others. The group members live in similar type of housing, like similar food and similar way of dressing, have similar holidays and way of having fun.
These factors keep the person calm and content. If the person moves to another group she adopts environment to these factors. Turkish migrant, for example, will adopt a pipe to WC and complain that the house is difficult for cleaning, Czech will decorate the house with plants, and Russian will use carpets and more furniture. Domestic housing market became more complex because of migration. Nowadays, every company should consider itself in multicultural market and act accordingly. Steady increasing migrants’ population also places significant demands on all services generally and housing services particularly. Migrant employees may need different work place and way of communication that allow them to work with dedication. Migrants form a new lucrative housing market and companies willing to profit on it should create innovative housing model according to their cultural requirements. Companies interested in capitalizing on this lucrative market must recognize cultural housing preferences of their customers and develop housing models accordingly. However, conservative nature of construction industry and some its features like need for certification that significantly slows down innovation speed, make the process of new housing model development difficult. Architects often focus on quantity and reduction of construction costs as well as saving the time. The steps should be taken by changing housing policies at the level of government to more immigrants friendly. Immigrants’ satisfaction will result in better contribution to host economy that is the main point in current political debates.

The results of this dissertation work are just a top of an iceberg, but may serve as a motivation for the future research related to cultural impact to consumer behavior. These investigations will contribute to understanding of immigrants’ needs for developing friendlier environment and therefore, increasing quality of life for all members of society. Finally, as Schumpeter highlighted it, these successful innovations will lead to economic surge and prosperity.
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A) Journal Articles:

1. MAIA OZDEMIR, Tell me your ethnicity and I will tell you what you are: Culture as a key factor of creativity in business, *International Journal of Knowledge, Innovation & Entrepreneurship*, Volume 1 Nos.1-2, 2013, pp. 185-198 (listed in SCOPUS)


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B) Conference Proceedings:


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