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Research on Private Sales of Real Estates in Vaasa

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TIIVISTELMÄ

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Käytettyjen asuntojen yksityismyynti on yleinen toimenpide pääkaupunkiseutu alueella Suomessa, kun taas muualla Suomessa se ei ole vielä yhtä yleistä. Tämä on kuitenkin muuttumassa ja kiinteistönvälittäjät ovat uteliaita tietämään yksityisen myynnin valinnan takana piilevät syyt. Tämä tutkimus esittelee aiheen tärkeimmät teoriat ja päättelee, miksi kotien yksityistä myyntiä harjoitetaan Vaasan alueella.

Teoreettinen osuus koostuu seuraavista aiheista: Kiinteistöjen myyntiprosessi, asuntojen markkinointiin käytettävät alustat, tiedotusvälineissä tiedotetut yksityisen myynnin syyt ja muut välittäjien aikomuksiin ja suorituksiin liittyvät tutkimukset, palvelujen ja tuotteiden määrittely ja kuluttajan päätösprosessi palvelujen ostamisessa. Käytetty tutkimusmenetelmä oli laadullinen lähestymistapa, haastattelut tehtiin puhelimitse yksityisten myyjien kanssa.

Tutkimuksen löytöihin sisältyi uusia näkökohtia, joita ei oltu tunnustettu perusteellisesti teoreettisessa kehyksessä, kuten rajoitetun ajan merkitys kodin yksityiselle myymiselle. Toisaalta löytyi vahvoja yhteyksiä teorioihin, jotka liittyivät välityspalkkioon ja säästämiseen, sekä henkilökohtaiseen kiinnostukseen ja käytettävissä olevaan aikaan myyntiprosessin valmistamiseksi. Myyjillä ei välttämättä ollut kielteisiä näkemyksiä välittäjistä, jonka vuoksi päättivät myydä yksityisesti, vaan syyt liittyivät suurimmaksi osaksi kustannuksiin.

ABSTRACT

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Private sales of used homes is a common act in the capital area of Finland, while elsewhere it is not as common yet. This is however changing and real estate agencies are curious to know the reasons behind this choice of FSBO instead of selling with an agent. This research discovered and introduced the main theories within the subject and concluded why FSBO is done in Vaasa area.

The theoretical framework comprises topics within the following themes: process for real estate sales, platforms used for marketing homes, reasons realized in the media for private selling and other research related to agents' intentions and performance, defining services and high-involvement products and the consumer decision-making process in the purchase of services. The research method used was a qualitative approach, with interviews conducted over the phone with private sellers.

Findings included new aspects not recognized in-depth in the theoretical frame, such as the importance of the limited time there is to sell the home privately, however also strong connections were found with the theory that related to commissions and saving, and the self-perceived interest and available time to finish the sales process privately. Sellers did not necessarily have a negative view on agents for why they chose to sell privately, but the reasons were to most extent cost related.

Keywords Real Estate Agents, FSBO, Private Sales, Consumer Decision-Making, Services, Customer Satisfaction

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1 INTRODUCTION

The real estate industry has experienced a change over the last few decades. Earlier, anyone interested in purchasing a house could typically only find advertisements of houses or apartments for sale in the newspapers or by visiting the real estate agencies (Leino 2014), and sellers predominantly went to the agents for assistance with the sales process. When the internet became popular this prompted a change and most agencies took the advantage of the world-wide-web, having advertisements online for anyone to see at any time. However, the internet also brought information and individual experiences regarding the sales process of apartments and houses, where after it has become easier for sellers to privately sell their homes, without getting in touch with real estate agents to act as legal intermediaries between the sellers and possible buyers in the process.

1.1 Objectives of Research

The research topic for this thesis is regarding the phenomena of individuals selling their homes themselves, instead of using the professional assistance provided by real estate agents. The terminology ‘for sale by owner’ (FSBO) refers to individuals selling their own properties privately without representation from real estate agents (Prater 2018), however, other parties may be involved, such as the bank or lawyers.

This topic was provided by Vaasan Kotijoukkue, a real estate agency with its operations based in the Vaasa region. The agency wants to know “Why do homeowners sell privately as opposed to utilizing real estate agents in Vaasa?”, which is the main research question. Further, it will be discussed whether the reasons are related to external or internal reasons; society and individuals’ own knowledge or the agents themselves and their work. Why some begin with FSBO, but later change to utilize real estate agents or vice versa is also of interest for Kotijoukkue Vaasa. From these questions and possible reasons behind the decision-making, hypotheses will be presented later under subchapter 2.3.

Table 1. Research Questions.

Why do home owners sell privately opposed to utilizing real estate agents in Vaasa?		
Is the reason related to the real estate agents?	Is the reason related to society and the individuals' own expertise?	Why do some sellers being with FSBO, but change to utilize real estate agents later in the process or vice versa?

This research will help the client to understand the reasons and thoughts behind individuals' decisions of choosing for sale by owner, which can be portrayed as competition for real estate agents. By knowing these motivations Vaasan Kotijoukkue, as well as other agencies, can benefit from it as they will be able to analyze and uncover processes and behaviors that could assist them in improving their work, if the research would eventually suggest that in fact, the use of real estate agents is the issue rather than societal reasons or the individuals own natural interests in going through the sales process themselves. As for an example; communication and marketing of the agencies services for potential customers could be improved to possibly gain more customers and convince individuals to use these services instead of FSBO (Larceneux, Lefebvre, Simon 2015).

1.2 Structure

This thesis will begin by gathering information from different sources; online databases, printed articles and books. Online databases that are used include amongst others: Theseus, ResearchGate and emerald. The information gathered and the existing theories will be validated through a preliminary research, henceforth a second more thorough research will be conducted for comprehending the underlying reasons and deeper causes for selling homes privately. Moreover, the findings will be reflected upon from a decision-making perspective which will results in a market analysis of the target market. Lastly, the process continues with an analysis of the discoveries, a conclusion will be formed and a discussion regarding reliability, validity, ethical considerations, possible limitations and further research that could be conducted will be covered.

1.3 Kotijoukkue Vaasa

Kotijoukkue Vaasa is a franchising company, part of the real estate Kotijoukkue-chain which was established in 2009 in Finland. The case company has subsidiaries located in 15 different locations around Finland and they employ around 100 real estate agents in total. Vaasa's entity was formed in 2015, they currently employ 9 people and operate in an approximate 15-kilometer radius from Vaasa city center, hence Vaasa and parts of Mustasaari (Kotijoukkue 2019 a; b). The radius may exceed in cases where there is an extraordinary attractive property for sale. Two customer groups of Kotijoukkue exist: the customers that seek for houses, apartments and other properties for purchasing and renting purposes, and those wanting to sell or rent their own homes with the help of the real estate agency.

2 THEORETICAL FRAME

In this section of the research the theoretical outline will be presented by answering the essential questions of what, where, why and how. The sales process, what platforms are used in Vaasa for marketing used homes, and strengths and weaknesses of selling privately versus with an agent recognized will be summarized. Conclusively, the 'how' will be introduced in the theoretical framework through Kotler and Armstrong's (2011) consumer decision making process.

2.1 Process for Property Sales

In this research, owner-occupied flats in multi-story apartment buildings and terraced houses are referred to as apartments and real estates referred to as detached houses. There are essential differences in the sales process of apartments compared to detached houses, however, most of the requirements are similar in both cases, such as the obligation of the seller to disclose all necessary information regarding the property (Linnainmaa, Palo 2005, 51). Marketing private homes can be carried out by FSBO's as they wish. The following subchapters will present the process for selling detached houses and apartments and includes details concerning real estate agents in the process.

Freedom of contract is a fundamental right of all citizens of Finland. Such a freedom can affect the demand in the marketplace, such as the real estate market, as contracts are signed with one's own free will (Kangas 2007, 11). This can be seen clearly with the sellers in the real estate market, where they are not enforced to sell their property to, for example, the first bidder or even to the buying party when the contract of sale would have been signed by both parties. In the latter case, if any condition was set for a termination of the contract in the sales contract, it has to be accomplished. (KKV 2014 b) There exists third parties that can assist in the sales process, including; banks, lawyers, stylists, photographers and newly established companies that focus on helping private sellers with requirements of property sale, for example Brokerit and Pala (Brokerit 2019; Pala 2019).

2.1.1 Sale of Detached Houses

As the seller is obliged to disclose any relevant information to the buyer, there is set three significant documents that are to be displayed to the buyer. These are: the certificate of title, the abstract of the register of mortgages and the cadastral certificate. The certificate of title verifies who the right owner of the property is and confirms for the buyer that the seller is indeed entitled to assign the property to someone else. Special rights, mortgages and encumbrances regarding the property are specified in the abstract of the register of mortgages, while the basic information regarding the property, like the registration date and area is found in the cadastral certificate. Other documents to be shown are: a floor plan along with material regarding the neighborhood and surrounding environment, information regarding the utility services, such as sewage and electricity systems, building permit documentation and a condition evaluation of the property. (Linnainmaa et al 2005; Minilex 2019)

Purchase offers of detached houses need to be verified by a public purchase witness, otherwise it is not considered binding, hence the buyer is not liable to make a down payment if the offer was accepted or pay a standard compensation if the offer is terminated (Knuts 2019). In a case where the offer is approved it is replied to, although, rejected offers can occur by making a counteroffer or not replying before the expiration. Down payments are used to bind the parties to the transaction and the contract contains terms and conditions that need to be met as well as what consequences there are if, for example, either party declines from the transaction at this point. (Linnainmaa et al 2005, 119)

In the sales contract, the following articles need to be documented: involved parties, the subject and value of the transaction, payment terms and details of the ownership, purpose and management of the property. Also, possible assets exchanged in the transaction need to be mentioned in the contract. Recommended additional information to include in the final sales contract is information on failures and shortages of the house and which documents have been disclosed for the buyer. A public purchase witness is always needed when signing the sales contract of a detached house, it is also common that the down payment is made at the same time. Sellers are liable for the house up to five years after the sale, if for example there

has been misconduct or failures that existed already before the sale. (Kangas 2007, 19; Knuts 2019; Alinen 2017)

2.1.2 Sale of Apartments

The process for selling apartments differ to some of extent from the one of detached houses, amongst other reasons due to apartments being shares of blocks of flats or terraced houses which are owned by all the security owners in the building – together called the condominium or the housing cooperative. The following documents need to be obtained from the property manager and showed to the buyer: the property manager's certificate, the energy performance certificate, the condominiums articles of association and possible minutes from the latest condominium meeting together with the latest financial statement, the audit report and possible budget estimates. Whether the information is gathered from the property manager or already known to the seller, the following should also be disclosed to the buyer: decided or planned upcoming repairs, details regarding the apartment, the neighborhood or environment relevant for the transaction, failures or shortages of the apartment and the plan extract. (KKV 2014 b; Knuts 2019)

Purchase offers may be presented orally for apartments and hence be binding, unlike from detached houses, however this is not recommended neither from the buyer's or seller's perspective. Similarly, as with detached house purchases, the offer is approved by accepting it, while the rejection of offers occur by making a counteroffer or not replying before expiration. However, no public purchase witness is required with offers made for apartments (Knuts 2019). (KKV 2014 b)

The contract of sale includes the same articles as for a detached house, but in addition to the price of the property it shall exclude any possible liability, such as a loan owned by the condominium. It is also recommended to mention in the final sales contract about upcoming repairs in addition to the suggested information included for those of detached houses. When the sales contract is signed by both parties, the buyer has to receive a share certificate, which has been printed at an approved printing house. When it comes to sales of apartments, no witnesses are required. The seller is liable for the apartment two years after the sale, when it

comes to issues that existed before the sale. (Kangas 2007, KKV 2014 b; Knuts 2019; Alinen 2017)

2.1.3 The Real Estate Agent

Real estate agents exist for the purpose of making it easier for both the seller and the buyer to enter a sale/purchase setting. They minimize the information asymmetry present in sales between two private parties and work for finding solutions both parties will be satisfied with, for instance, setting reasonable prices for properties; considering the fact that sellers want the price to be notably higher than what the buyers wish to pay (Larceneux et al. 2015). This information asymmetry arises from the principal-agent theory in which the real estate agent is the agent working on behalf of the seller: the principal (Stamso 2014). Agents working for real estate agencies are commonly required to have passed a qualification test arranged by the Board of Examiners for Real Estate Agents of the Finnish Chamber of Commerce. Agents are not allowed to address themselves as licensed real estate agents (LKV) unless they have passed the exam, which should bring comfort for the consumers entering the real estate market together with these intermediaries. (Finland Chamber of Commerce 2019)

An agent can cover the whole sales process from the beginning to the end, depending on what was agreed in the brokerage contract made between the seller and the agent. Brokerage contracts might only require the agent to do a certain part of the process, or the whole process; for example, the agent would do the paperwork, while the seller would themselves organize the house tours and marketing. (Etuovi.com 2019 a; KKV 2014 a) If the agent has been assigned to work through the whole process, they pay for the marketing and fees that arise from the property manager when attaining the required documentation needed when selling an apartment. Agents require all offers and decisions to be documented, hence nothing is accomplished orally. (KKV 2014 b, Knuts 2019)

Around 80% of the Finnish population selling their homes ask for support from real estate agents (Kaarenoja 2010). Real estate agents are experts in their field and aim at bringing security and competence to the sale, where it can be considered an advantage to pay for their service. However, this does not eliminate the liability for

the sellers to disclose all known, relevant and required information regarding the property to the seller, whether it was through an agent or not. If an agent would not be aware of an existing deficiency in a home they were selling, although proper research was done on the property, and the seller would intentionally not have informed the agent about it then the agent would not be considered liable to pay any possible compensation to the buyer. (Linnainmaa et al 2005, 99)

2.2 Platforms for Marketing Homes

Both free and costly alternatives exist in the Finnish market for private persons to sell their properties and those that cost can be considered as more professional platforms since they exist for the sole purpose of real estate advertising. As private people may advertise for their property in any way best suited for them, there is not only one platform which would be more common than others in Finland. Real estate agents, on the other hand, use mainly the platforms solely used for real estate marketing, but some also advertise the properties in both these sites and the free platforms.

There are two leading webpages intended for the sale of properties in Finland: Etuovi.com and Oikotie.fi. On Etuovi there was in total 1236 properties in Vaasa and Mustasaari for sale as of the 17th of September 2019, whilst in Oikotie there was 704 announcements. Hence, Etuovi may be considered a more common platform in this region. Most real estate agencies publish their properties for sale on either of these sites. Both webpages make it possible for private sellers to have their own announcements on the pages with the price of 149€ per advertisement. Both sites also publish articles and documents regarding property sales, for example: how to go about when using a real estate agent compared to selling privately, ready sale contracts and other relevant contracts.

Amongst available online marketplaces findit.fi and tori.fi are the most common in Ostrobothnia when it comes to marketing of homes. Findit is Ostrobothnia's biggest marketplace and it is free for the first four weeks, where after the advertisement is visible on the site for up to 12 weeks for a fee of two euros (Findit 2019). Tori, on the contrary, claims to be Finland's most popular marketplace and there the announcement can be published for free up to two months, after which it stays on

the site for a fee (Tori 2019). These sites are popular for typical consumers, as they are cost friendly, reach a big audience and are simple to use. Even though the costly options have a greater chance of reaching the target market, Findit and Tori can also reach to the wished market with their specific search fields and categories.

Advertisements on social media are common, however, they may have difficulties to reach a greater audience. Especially on Facebook it depends on the account settings, group or marketplace where the announcement is published, the number of friends and how they and other Facebook-users behave on the page: if they share or ignore postings. Instagram is also a popular platform, although here the size of the follower-base is evident for estimating the reached audience. Even though social media has its limitations when it comes to marketing a property for sale, it is used in Finland. An example of this is a couple that sold their apartment by posting an advertisement on Facebook, from where interested buyers contacted them and they eventually sold their home (Åström-Kupsanen 2013). Kotijoukkue Vaasa is active on social media, especially Facebook and Instagram, where mostly posts about new properties are published, but also greetings and competitions are shared to the followers and the public. (Facebook 2019)

Notifications on the walls of stores and other common places are not as common anymore after the internet came around operating as a public market place, however one could imagine it could still be an option for the older generation. The same goes for advertisements in newspapers, and after a look in around 30 local newspapers it seems like it is more common to post advertisements in newspapers regarding properties for sale that are located outside of the city center. A research article conducted by Mary Ann Stamsø in Norway (2014) suggests that real estate agents are more commonly used in urban areas, possibly because this is where the agencies are more commonly located compared to rural areas outside the cities. This can explain why private people's advertisements from rural areas are more common in the newspapers compared to homes for sale in the cities, as agencies seldomly advertise in newspapers in Vaasa area. More websites and platforms than the ones mentioned do exist, however the mentioned ones are most common in Vaasa area.

Table 2. Summary of Platforms used in Property Sales

Etuovi Oikotie	<ul style="list-style-type: none"> •149 euros per announcement •Marketing solely of homes
Findit Tori	<ul style="list-style-type: none"> •Free up to four / eight weeks, where after stays published against a small fee •Most popular market places for any products in Finland and Ostrobothnia
Social media	<ul style="list-style-type: none"> •Facebook, Instagram and others •Limited visibility depending on settings, number of friends and followers, and behaviour of viewers
Traditional marketing	<ul style="list-style-type: none"> •Newspaper advertisements and posters on store-walls •Not as common anymore •Used more commonly for homes for sale in rural areas

In United States there are multiple online websites which are dedicated solely for FSBO homes, as well as there exist sites that allow both non-FSBO and FSBO listings (Bethell 2018). The same types of websites are also found in Europe, however not as frequently as in the USA. In Finland FSBO homes are listed on basically any suitable website, as there are no specific forums for privately sold homes.

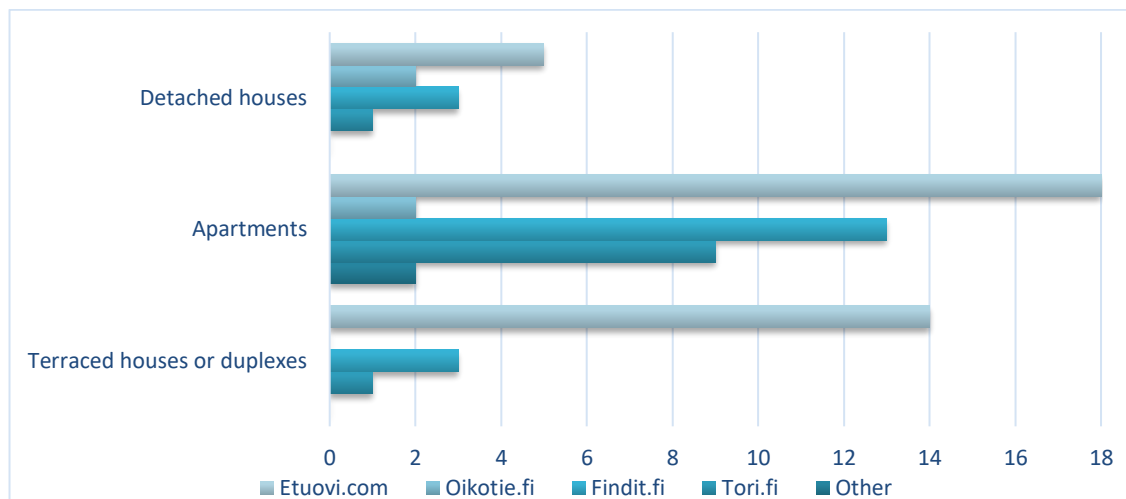
2.2.1 Statistics of FSBO

The approximate number of FSBO properties in Vaasa and Mustasaari, in the 15-kilometer radius, were in total 73 on 16th of September 2019, when checking the most common online platforms for private selling, excluding social media. The platforms checked were: Etuovi.com, oikotie.fi, findit.fi, tori.fi, and another that was discovered was huutokauppa.fi, where two apartments were for auction. However, the total amount of FSBO sellers in Vaasa is not certain, as there are other platforms which could have been used, such as social media sites: Facebook and Instagram, and announcements in more traditional places such as in the newspapers and on notification boards in local stores.

In Etuovi.fi there were in total 49 properties for sale by private persons, out of these 37 were used apartments or used detached houses within the 15-kilometer radius that Kotijoukkue operates in. The below table shows the statistics of online FSBO properties on all considered platforms. It was notable that some properties were for

sale on more than one site at the same time, for example, one detached house had announcements on Etuovi, Findit and Tori simultaneously. Further, some announcements were posted for the purpose of reaching a broader audience, as they did not include information other than the link to the proper advertisement on another site. These matters have been taken into consideration in the statistics table and the table should therefore show an accurate number of properties for sale by private people and display in which sites the proper marketing was published, hence only the proficient advertisement is accounted for in the below table. Table three gives therefore an estimation of the total number of FSBOs in the area, not the number of advertisements per website.

Table 3. Statistics of FSBO Homes Online in Vaasa and Mustasaari 16.9.2019



It is important to remember that even though 73 homes in total are marketed by private people, they may still use real estate agents for other purposes, such as for the administrative practices including creation of sales contracts and other documentation. Two of the FSBO advertisements mentioned separately that they are willing to get assistance from real estate agents if requested by potential buyers. It is also claimed that out of the 5% of privately sold homes on Etuovi 80% are eventually sold by real estate agents (Mansikka 2019; Re/max 2018).

So far, it has not been properly controlled how many properties are sold per year in Finland, hence most amounts in articles are estimations. Statistics of properties sold by real estate agents are followed by the union of Real Estate Agencies in Finland, however this information is only available for the agencies and their workers paying

for the data (KVKL 2019). The transfer tax is a tax that the buyer needs to pay when purchasing a property. Roughly 20% is reported electronically and 80% on paper according to an article by Vuorio (2018) who cited the tax administration. From 1.11.2019 and onward, real estate agents will have to report the transfer tax electronically, which will make the controlling easier. For the private sellers this will not yet be required, but it is desired for. (Vuorio 2018)

2.3 Selling Privately Versus with an Agent

As mentioned earlier, real estate agents exist to make it easier for consumers in the real estate market, such as by minimizing information asymmetry and by professional judgement set realistic prices for homes. Nevertheless, articles in Finnish media regarding the most appreciated professions often include real estate agents at the bottom of the lists, as in a research from 2017 where real estate agents were on place 438 out of 457 (Lähteenmäki 2017). This may be due to sellers' bad experiences, expectations that have not been met, rumors and prejudices that individuals have gained.

Overall, it seems like the time taken to sell properties FSBO takes longer compared to sales with real estate agents, according to, amongst others, Bernheim and Meer (2007). In Finland, latest statistics derived from operations on Etuovi claim that the median time for advertisements to stay on the site by real estate agents is 72 days, while for private sellers this is 76 days (Mansikka 2019). This is not a significant difference, but may give some indication on the current situation, which may be due to the limited network that private sellers have (Stamso 2014). A private individual would not necessarily have access to the same tools as an agent, nor would all buyers be comfortable with purchasing from anyone else than an expert in the industry. For example, in Finland young buyers have been studied to prefer purchasing directly from real estate agents (Mannerberg 2019), and real estate agents have comprehensive customer registers from which they may find potential buyers (Knuts 2019). Also, the real estate agencies have professional marketing strategies which are tailored to fit the specific market and therefore have better visibility for the target market (Mannerberg 2019).

Minor decreases in private sales of homes have been experienced in 2017 and 2019 in Finland according to articles by Taipale (2017) and Mansikka, however, it is suggested that this may be due to a real estate agency that does provide their services solely for private sellers (Mansikka 2019). In comparison with the USA, where it seems to be more common to sell privately, there has also been significant changes in the market, for example with the MLS listings which were before only accessible for real estate agents, but are nowadays even available for private citizens for a fee (Houzeo 2019). In France, an increasing number of sellers and platforms exist solely for FSBOs, for example Immogo. Evelyne Gielen, a real estate economist in France, comments in an article that agents simply do not communicate enough about their work and benefits to the consumers, which gives the consumers the opportunity to doubt the agents work. (Gielen 2014)

According to Larceneux et al. (2015) private sellers consider the perceived advantage in terms of “relevant outcome, efficient process, psychological security and social facilitation” instead of the tangible features of the home for sale when considering using an agent or not. This does seem accurate when comparing it to the reasons discovered in Finland and abroad for selling privately without an agent. The following subchapters will present these reasons revealed in media, other research articles and the researchers own reflections regarding the subject.

2.3.1 Saving from Commission Fees

The main reason for not choosing a real estate agent to sell one’s home seems to be universal. This is the commission that, in most cases, the seller has to pay for the agent once the sale has been completed. In other cases, where a buyer has requested an agent to look out for an apartment or house on their behalf, the commission is paid by the buyer, or if both the seller and the buyer have a contract with the agency, only one of the parties may be liable to pay the commission. (KKV 2014 a)

Commission fees are normally set as a percentage of the final price the home is sold with, for example 3% of 150 000 euros. A market research conducted by the European commission in 2018 set the average commission fees at 4% in Finland compared to the average of 3.3% among 30 European countries. The commission does however vary depending on agency. Vaasan Kotijoukkue requests for a

commission of 4,84% of the unencumbered selling price. It is though noteworthy that the commission is negotiable between the seller and agent. Nonetheless, there is a minimum price for each home sold that the commission has to be: for apartments it is 3 900 euros and for detached houses 5 450 euros. (Kotijoukkue 2019 c)

Private home sellers can see the commission as a loss of their profit, although the commission may be set on top of the price the seller wants for their home, so no loss would necessary be experienced on the price received from the sale of the home. Also, it is possible for sellers to set a minimum price on their home instead of asking price, however, this is seldomly used in Vaasa area (Knutts 2019).

In Helsinki the commission fees are relatively higher than elsewhere in Finland. This is not due to the commission percentage, as by comparison Kotijoukkue Vaasa's commission is 4,84% while Kotijoukkue Helsinki's fee is 3,95% (Kotijoukkue 2019 d), but the asking price of the homes in the capital area are considerably higher compared to other regions. In the second quarter of 2019 the average square meter price for a used apartment was 1 963 euros outside the capital area, while in the capital it was 4 365 euros, thus over double the price of those elsewhere in Finland (Reaktio Solutions 2019). It seems to be a more popular phenomena in Helsinki to sell privately compared to other cities and this might well be due to the high amounts of commission sellers pay there (Taipale 2017).

In relation to the research question, the reason associated with the commission charged by the real estate agent is directly related to the real estate agencies, therefore being an internal factor related to selling privately as opposed to purchasing the service from an agent. One hypothesis can be formed from this: *“the reason for an individual to sell their home privately is to save on the cost”*.

2.3.2 Price Setting of Property

It is obvious that sellers want their property to be sold with the highest possible price they can receive, however real estate agents always recommend the price to fit the market, which may in some cases be a lower price than what the seller is expecting. In 2010 the amount of complaints rose against real estate agents that set lower prices than initially anticipated by sellers according to the article “sell your

apartment yourself – you can save thousands” in Taloussanomati. Nevertheless, in most of the cases it cannot be determined that the real estate agents would unfairly estimate the prices for the homes, as it is not easy to prove. (Kaarenoja 2010)

Naturally, the sellers want to sell their property for a higher price than what the buyer would want to pay for it, wherefore, it is advised for sellers to receive an estimation from an intermediary party. Conversely, according to Levitt and Syverson (2005) it is in the agents own interest to sell properties as quickly as possible, thus they might suggest lower prices for the sellers than realistically estimated to acquire more interest from buyers. The research by Levitt et al (2005) suggests that agents selling their own homes sell them for an approximate of 3,7% higher price compared to other equivalent homes, indicating that the agents would value other seller’s homes lower.

In the USA research showed that FSBO properties are in general sold with a higher average price than agents sell them for. Agents would sell for around 4 to 7 percent lower prices than FSBO’s and in addition save on the commission, which would make FSBO’s more profitable. (Daisyme 2017) A real example of this in Finland is a couple from Helsinki who sold two apartments for more than two different agents had estimated the prices to be. When adding the saved value of the commission that would have been paid with an agent, they estimated to have saved at least 30 000 euros. (Kaarenoja 2010)

Counter-research does, though, exist, where it has been shown that an agent would not have a significant effect on the asking price, for example suggested by Bernheim and Meer (2007). FSBO sellers have access more commonly only to the current homes for sale and their prices, while agents have a significant amount of historical data with which they assess the prices of homes. In the end, it is the seller’s own perception of the question which makes them either question or trust the agents concerning the price setting.

Sellers’ views on the price setting is an external cause for Kotijoukkue, as to it being the private sellers’ own judgement of the assessed price made by the agents on the home. The hypothesis for this reason is: *“the reason for an individual to sell their*

home privately is because they do not agree with the real estate agent's valuation of the home"

2.3.3 Interest and Self-Perceived Knowledge

Individuals may see it as a great opportunity to experience something new, learn more and use one's own creativity by taking on the full responsibility of the sale of a home. As cited by Stamsø (2014), individuals can have a "positive adventure" while selling their own home. It is not surprising that there exists interest and people are curious, as the full process can be found online, which does make the process seem somewhat easier than it might be. There are companies, websites, articles and much more that provide information for free regarding requirements to experience a successful home transaction. If the seller is mostly excited about, for example, marketing, they can receive assistance from other third parties for other stages of the process.

Research in Finland exists which indicates that potential buyers would rather show up at exhibitions of a home if an impartial party is present and as mentioned earlier, young buyers feel more comfortable with professionals when it comes to their first home-purchases (Mannerberg 2019). These are issues that may arise for private sellers that they should reflect on when making the decision between hiring a real estate agent or not. Another considerable factor is the available time the seller has to complete the process, as it is time-consuming. As suggested by Stamsø (2014) in her research on the Norwegian real estate market, it is more common for the older generation to sell privately compared to the younger generation because they have more experience and more free time to spend on doing the sales process properly.

Naturally, if a seller already once has sold a home privately, it is likely that they will do it again if the previous sale was successful or they know what could be improved since last time. Any self-perceived knowledge the seller already has can be useful and be a determinant for the seller to sell privately. As this reason is merely related to the individual sellers' own personality, expertise and available free time, in the research question it is linked with the external reason not dependent on the real estate agents. The hypothesis deriving from this reason is as follows and it may be further considered (Figure 1) whether the seller is willing to study and

learn more about the sales process or if they already have the required knowledge on how to manage the sales: *“the reason for an individual to sell their home privately is related to their own motivation, interest and available time for conducting the process privately”*

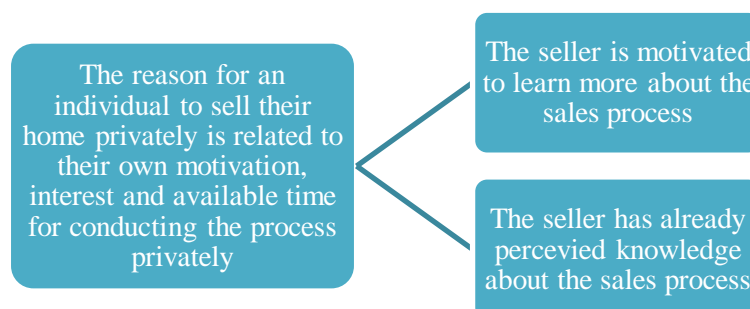


Figure 1. Hypothesis Related to Sellers Personal Interest in the Sales Process.

2.3.4 Lack of Trust and Negative Experiences

The purchase and sale of a property might be considered as one of the biggest transactions of an individual’s life, so it is understandable that sellers want the whole process to be properly and carefully completed from start to finish. Lack of trust from individual sellers towards real estate agents is referred to in articles for being one reason people are hesitating to use agents in their sales.

Cases where the agent has not informed the seller about all offers received has occurred and are visible in the Finnish media (Kaarenoja 2010). To comply with the legislation the agent is liable to disclose all offers made to the seller and even unacceptable offers must be shared, especially to conform with descent brokerage practices (KKV 2014 a). When the agent informs the seller about all the offers made, he or she can make a fully transparent decision on which offer to accept.

The agents can inform bidders of other offers also received on the home, which can result in the home being sold for a higher price than originally planned for. Three negotiation tactics are revealed by Paunonen (2018). In the first one the agent will not let the other bidders know of other offers made on the property and the bids are expressed to be the maximum the buyers are willing to pay, possibly a few rounds could be done of raising the bids. Secondly, the asking price is set lower than the estimated value and offers made are published for everyone to see for a certain time,

where after the seller decides if any offer is accepted. In the third negotiation tactic, the agent keeps all bidders informed about other offers being made, in hope of receiving higher offers till the maximums are reached. The seller may be informed about the offers during this time or after all maximum offers have been received. The third tactic is advised for, as it is most fair toward all parties involved. (Paunonen 2018) Agents usually have their personal way of how they handle negotiations, however if the seller can come to an agreement with the agent of a certain way, they should follow decent brokerage practices and comply with what has been decided on. If this discussion is not held with the agent, sellers may be disappointed with the tactic that eventually was used, as results can vary between tactics.

Real estate agents in Finland do not generally receive a monthly pay, but provision from the homes they have sold. Therefore, it may be considered that agents want to sell properties as soon as possible, to gain salary, which brings us back to the research by Levitt et al (2005). This research claims that agents have personal incentives to sell properties quickly, even with lower prices than the actual market value, or not doing as a thorough job as expected, for example by choosing a less time-consuming negotiation tactic. On the contrary, the reason for agents selling possibly quicker than private sellers does not necessarily have to be related to a low asking price, but instead correlated with their extensive customer registers with potential buyers, which have been maintained by most for as long as they have been working in the field. With these registers they may find the potential buyers even before the first showcase of the home.

If a seller has previously used the services provided by real estate agents in a home transaction, the experience can have been either good or bad. Certainly, if the seller experienced a bad transaction due to the agent's efforts, they may consider FSBO in a future home sale. The seller might consider other real estate agencies, which there are 25 of in Vaasa (Etuovi 2019 b), however anyway end up doing the sales process privately, due to lack of trust in the real estate agents in general. Also, other sellers' experiences – word-of-mouth can make a new seller have doubts for agents, wherefore they consider FSBO.

The competition between real estate agencies varies, they might compete with different factors, such as: the amount of commission, price setting of properties, marketing tactics, types of services provided, broad network connections and the generation of positive word-of-mouth (Shukri 2019). Sellers can receive different offers from different agencies, for example one from an agent who promises a higher commission and lower asking price on the home compared to another agent who agrees for a lower commission and higher asking price. The seller is naturally more intrigued by the agent who would cost them less and give more profit. However, if the different asking prices presented by the agents are significantly different from each other, it may become difficult for the seller to know who to trust, as there is a risk for prolonging the process of finding a buyer if the initial asking price is set too high (Knuts 2019).

The hypothesis regarding the reason related to lack of trust in the agents is considered external, as to it being the sellers' personal views on the real estate agents. However, it may be seen as indirectly internal, because the reasonings of the sellers may be received from the agents. The hypothesis is as follows and the distinctive reasons for lack of trust are summarized in figure 2: *“the reason for an individual to sell their home privately is because they do not trust the real estate agents”*.

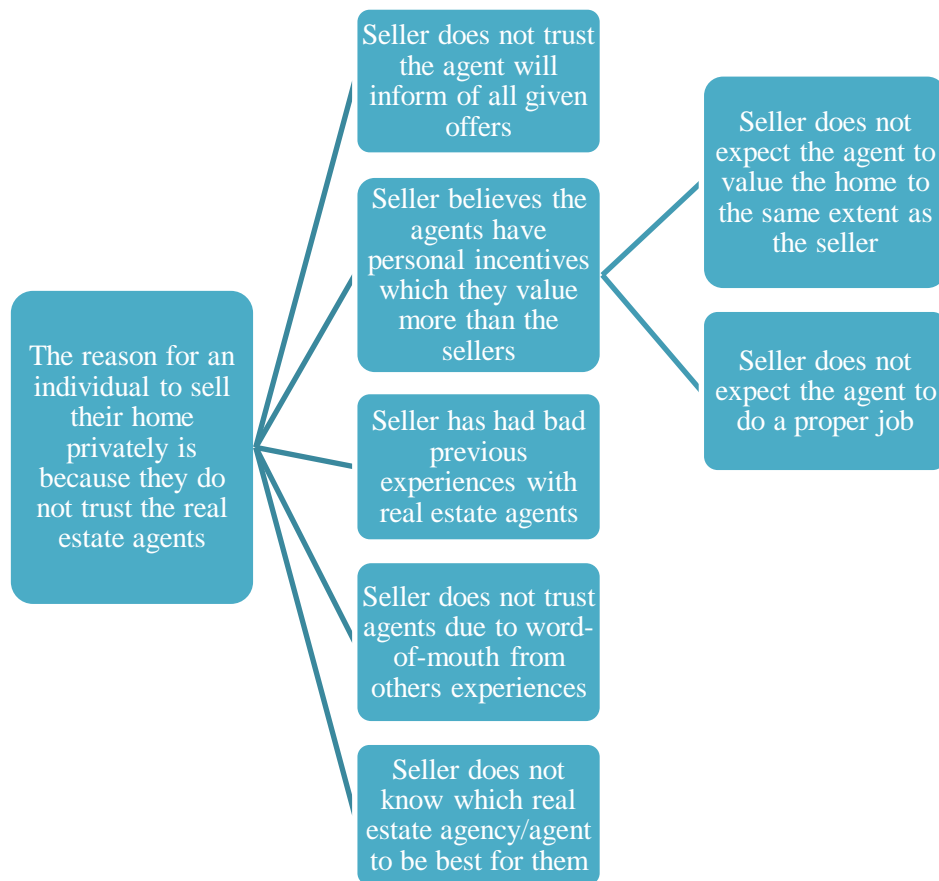


Figure 2: Hypothesis Related to Lack of Trust in Real Estate Agents

2.3.5 Other Reasons for FSBO

Reasons which are not as vastly written about in media and research in relation to real estate agents will be shortly presented next. These are related to the influence of personal connections, the connection with the real estate agents, the fact that the seller may already know of a buyer and the effect of demand.

As will be presented later in chapter 2.5 the sellers undergo a decision-making process on whether to purchase the service from a real estate agent or not, and one of the stages involve information search, in which personal sources might be used. Friends and family can influence greatly on the purchase decision of the seller with their evaluated opinions on the alternatives and possible purchase evaluations, as these sources are valued and respected more than those of strangers or other sources. (Kotler, Armstrong 2011 p. 153).

Sellers and agents are individuals with their own personalities, which means that they are necessarily not like-minded. The sale of a home is a personal and significant transaction, and the seller might not find an agent that they create a preferred connection with, wherefore the seller trusts themselves more. This considers the communication to a great extent, and if there is no proper communication either of the parties can be disappointed, for example when considering the negotiation tactics. Another reason to sell privately is when the seller already knows the buyer. However, if this is the case, the seller will necessarily not market the home for sale on any platform or website.

Earlier it was mentioned that it might be more common to sell privately in Helsinki compared to outside the capital area due to the high commissions that would be paid to the real estate agents, however another factor to be considered is demand. If the seller knows that demand for their sales object is high it can be assumed that it would not take a long time to find a buyer, hence a real estate agent is not needed to find a buyer (Taipale 2017). Helsinki being the capital city of Finland, experiences one of the greatest demands for owner-occupied flats, thus buyers are found relatively easily for apartments in the area (Asuntojenhinnat.fi 2019).

Several hypotheses derive from these, all of them being externally related. The fact that a buyer can be relatively easily found or has already been found by the seller can be seen from the perspective of the demand in the market and is therefore considered an external factor. The lack of a desired connection between the seller and agent is primarily external as it is not necessarily either of the parties' fault, but the agent will in any case do the work whoever the seller, while the private seller has the opportunity to choose. Personal influence on the seller's decision of selling privately or hiring an agent is not related to the agent's operations, although may be indirectly if the influence is related to internal factors. The hypotheses are:

1. *“the reason for an individual to sell their home privately is due to influence from personal connections”*
2. *“the reason for an individual to sell their home privately is because they do not connect in a desired way with a real estate agent”*
3. *“the reason for an individual to sell their home privately is because they know that a buyer can be easily found or has already found one”*

2.3.6 Change from FSBO to the Service of Real Estate Agents

Sellers may start with a real estate agent but decide to change their mind afterwards to FSBO, whereas others start by selling privately and then change to hiring an agent. Four possible reasons for starting alone and changing to purchase the service from an agent will be presented below.

Real estate agencies contact private sellers whose announcements they come across, mainly online but possibly also those found in newspapers and elsewhere. Some sellers may be interested by this and end up letting the agent manage the process, while others do not. Private sellers can mention in their announcement that agents should not contact them, wherefore agents are not allowed to do this by law and decent brokerage practises. In other cases, the sellers themselves contact the agents as they realize that they need assistance with a specific part of the process or with the whole process, or that they do not have time themselves anymore to manage the sales. Lastly, some sellers might move away and do not have access and are not present to do the sales, wherefore they contact the agents. (Knuts 2019)

2.4 Services and Products

Real estate agencies provide services for their customers who want to sell their product – their home. Services have four main factors identifying them: intangibility, perishability, heterogeneity and inseparability. Products are tangible while services are intangible and for customers to be interested in the service, the promotion of the service has to be effective, as it cannot be seen before it has been consumed, other than comparing with other individuals' experiences and the image formed from the promotion. Services are produced and consumed at the same time, which the characteristic of inseparability brings with. Customers have much of an impact on the perceived service level with their personal expectations, mood and personality, to mention a few factors. Having the service produced and consumed at the same time also results in that unused service cannot be stored for later use – perishability. Heterogeneity explains the fact that no one can get the exact same service every time, which depends on the providers of the service, who must in their work stick to values and promises that the company has communicated to the customers. (Dibb, Simkin, Pride, Ferrell 2012; Yli-Korpela 2002 a, 19)

The product for sale, a home, is regarded as a high-involvement product which is categorised in the “complex” buying behaviour category. Purchase and even sales of high-involvement products require an “extensive thought process” and time for decision making. Properties may be considered high-involvement products if they meet one or more of the following factors: high price, time to purchase and sell the product, perceived risk of purchase, information available regarding the purchase and sale of the product, post-purchase and post-sale service. (Bhasin 2019) When marketing high-involvement products differentiation should be considered. When it comes to homes it could be the location, shape, purpose and size of the home that could be presented as distinctive features. (Kotler, Armstrong 2011, 150-151) Hence, due to the high involvement of the purchaser, a considerable amount of information needs to be provided in the sales to help the purchaser to decide on the purchase (Räsänen 2012).

2.5 Consumer Behavior in Purchasing Services

Consumer behavior is defined as “the decision process and physical activity individuals engage in when evaluating, acquiring, using and disposing of goods and services” by Loudon and Della Bitta (1993). The decision-making process the sellers go through when considering whether to hire a real estate agent or not can be applied to general consumer behavior theories, such as the consumer decision making process by Kotler and Armstrong (2011). The process consists of five distinctive phases, as can be seen below in Figure 4, however sometimes these are split into six stages, where purchase decision and the purchase itself are separated. The seller will through this process develop beliefs and attitudes, and eventually make a purchase decision (Kotler et al 2011 p. 151). Next the process will be presented considered from a home-sellers perspective.



Figure 3. Consumer Decision-Making Process.

The first phase is related to the need recognition, where the seller considers selling their home, which starts a thought process for how it will be accomplished. The

seller will search for information and find different alternatives which they have. The main alternatives are either to purchase the service from a real estate agent or do it privately FSBO and pros and cons of each option is discovered, as well as on different real estate agencies. The seller can obtain the information from different sources: personal, public, commercial and experimental. Personal sources include to ask for example friends and family for their opinion and experiences they have had, while public sources include information from mass media and by searching, for example, the internet (articles, other sellers experiences, the requirements of the sales process etc.). Commercial sources involve the agencies own websites (information about commissions, advertisements, other home-displays), and by asking different agents from different agencies to assess the home or going to home displays to observe different agents work the experimental source is used. (Kotler et al. 2011 p.152-153)

After the seller can start evaluating the alternatives. Here the seller will evaluate the information found and consider factors such as those presented in subchapter 2.3: “Is the commission too high? Are the agents assessing the price much lower than I? Am I interested in doing this myself?” and so forth. The background of the sellers also impacts the evaluation process and the outcome of it, especially due to cultural, social, personal and psychological factors, as implied by Kotler and Armstrong (2011), however these factors are not considered in this research.

Service quality is defined by Grönroos (1984) as the customers perceived quality of the service and its variables of quality both directly and indirectly help the seller to evaluate the alternatives. The variables of quality are as follows: expected service and the perceived service, promises and performance, technical and functional quality and the image. In the evaluation stage however only the expected service, promises and image are variables that are considered, even though the seller would have experienced the same service before, because as per the definition of a service, they are perishable, heterogenic and inseparable (Dibb et al 2012; Yli-Korpela 2002 a, 19). The expected service is a mix of promises made by the company and its image together with previous experiences of the consumer.

Once the evaluation and understanding of the whole process is accomplished the seller decides based on their knowledge and impression on the different

alternatives. The decision may be to hire an agent from a specific agency, sell the home entirely privately or get assistance from other sources, or even realize it is not the time to sell the home at all. If the seller decides for FSBO, they may have already gained the knowledge on how to manage it in the information gathering stage or even before the problem recognition, however, the decision can be done without the full knowledge on the process, and therefore be gathered after the decision of not wanting an agent to sell the home. Conversely, if the seller decides to purchase the service from a real estate agent, knowledge about the purchase decision should be clear. During the purchase and the process of, in this case selling the home, the seller will experience the technical and functional quality of the service. The technical quality is the main service that the real estate company offers and produces, i.e. sales of the home, while functional quality is the process to get to the technical quality: how the real estate agent behaves, dresses and works to finally have the home sold. (Grönroos 1984)

Lastly, post-purchase evaluation is already done during the time of the sales process but fully completed after the home has been sold or the brokerage contract between the seller and the agent has ended. During the sales process, the seller may notice that they have not chosen an agent suited for them or realized that they want to do it FSBO, however the contract terms need to be followed and the brokerage contract cannot be ended without a weighty reason (KKV 2014 a). The seller will evaluate all the variables of service quality: expected service and the perceived service, promises and performance, technical and functional quality, and the image to determine the level of customer satisfaction of the service (Grönroos 1984). (Kotler et al. 2011 p.153-154)

2.6 Theoretical Framework

To answer the research question “Why do home owners sell privately as opposed to utilizing real estate agents in Vaasa?”, the act needs to be considered from the perspective of the consumers, the individual sellers own process they go through to end up making the decision to not purchase the service provided by real estate agents or in the after purchase-evaluation conclude that they should have chosen the other alternative from the beginning. From the consumer decision-making process presented by Kotler and Armstrong (2011) the most crucial stage for this

research is the evaluation of alternatives, however, also information search as this determines what factors are evaluated in each of the alternatives. The decision in the researched process is FSBO, though it might change after purchase evaluation, for example if the seller started selling privately but changed to use a real estate agent later.



Figure 4. Focus Stages of the Decision-Making Process

In the information search stage, the seller finds information regarding the service of real estate agents and on FSBO as explained by Kotler et al (2011) from personal, public, commercial or experimental sources. The information found and promises made by the agencies will create expectations and an image for the seller of the individual agencies, of sales with real estate agents and FSBO (Grönroos 1984). The hypotheses formed earlier in the subchapter 2.3 are factors that may have been discovered in the information search and are to be evaluated by sellers in the evaluation stage.

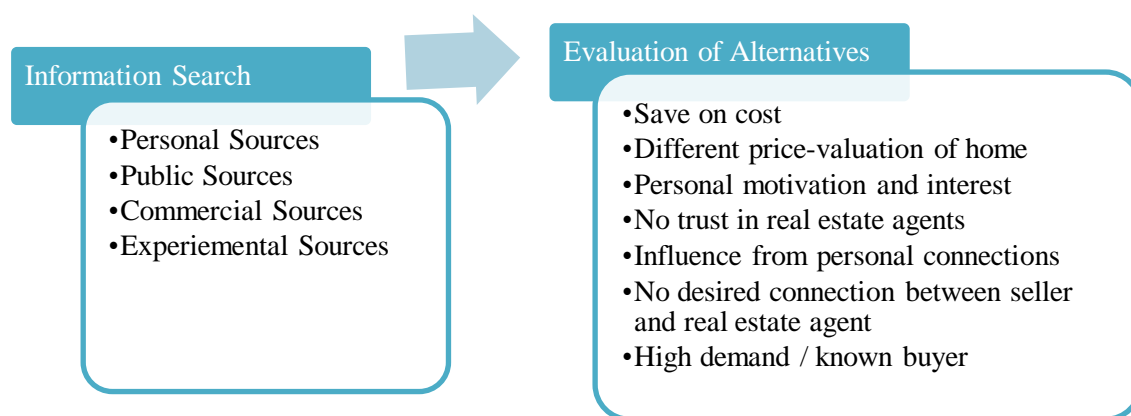


Figure 5. Information Search and Evaluation of Alternatives.

The first hypothesis for sellers to sell FSBO is related to the commission and the fact that sellers can save on this by selling privately, which is suggested by most articles related to private selling of homes, especially by Mansikka (2019), Taipale (2017) and Åström-Kupsanen (2013). Secondly, the valuation of the property can

differ already between real estate agencies, however also between the sellers and agents. Sellers want to get the selling price to be as high as possible, while agents try to adapt between the sellers and buyers wants. Levitt et al (2005) suggest that agents would be biased in their valuation of the home, while Bernheim et al (2007) states that there is no significant difference between the asking prices of homes sold with agents and those sold FSBO.

The third hypothesis is purely related to the sellers' own interest and motivation to conduct the process privately, as phrased by Stamsø (2014) can be a "positive adventure" for the seller. Either the seller would already have the needed knowledge of the process or have the motivation to learn more for conducting the process from start to finish. The fourth hypothesis relates to the amount of trust the sellers have towards the agents. Mainly the focus is on Levitt et al's (2005) research on that agents would have personal incentives, wherefore the seller cannot trust the agent to perform as required. Additionally, bad previous experiences have created expectations for the seller, which may result in the seller having no trust towards the agent. Personal connections influencing the decision making of the seller is the next hypothesis. As stated by Kotler et al (2011) friends and family are normally more valued and respected, which can result in their opinions weighing considerably on the evaluation of alternatives.

The sixth hypothesis relates to the connection between the seller and agents – as the sale of a home is a considerable transaction, the seller wants to have a good, positive connection with the agent so that the process will go smoothly and without bigger issues. Lastly, in the news article by Taipale (2017) it is suggested that a known high demand for a certain type of home may make the seller to choose FSBO, as an agent will not be needed to find and reach out to potential buyers. Also, if the buyer is already known the seller might sell the home privately, with the help of other third parties, such as the bank.

The hypotheses will later in the research be examined together with the theory and be rejected or accepted based on the results deriving from the interviews. Furthermore, in the post-purchase evaluation stage, the seller will assess the expected service, possible promises of an agency and the image with the perceived service which was created from the performance of functional and technical quality.

From this they will determine the customer satisfaction, if the service of a real estate agent was purchased or perhaps if it should have been purchased. (Grönroos 1984)

3 EMPIRICAL STUDY

In the empirical research section, the theory of the practical section of the thesis will be presented. This includes the research methodology, data collection and measures to be taken in order to analyze the data. As the objective of this research is to realize the underlying reasons behind individuals' choices to conduct the sale of their homes FSBO rather than with real estate agents, the target group is set as private home owners that have sold or are selling their used homes privately within a 15-kilometer radius from Vaasa as this provides a more accurate and real insight into Vaasan Kotijoukkue's customer segment. For the purpose of this research, private home owners are considered to be regular citizens, not companies or other real estate agents. Both used detached and terraced houses and used apartments will be considered and if there seems to be any correlation or difference between them two, it will be reviled.

3.1 Research Methodology

There are two main methods to conduct the research, either through a deductive or inductive research approach. A deductive approach begins with comprehension of existing theory and usually creation of hypotheses which are to be tested in the research. The inductive approach works nearly the opposite way, where data is collected in order to create a new theory. In this research the deductive approach is used, as some theories already exist and the findings of this research will contribute to and enrich the existing theories. (Gabriel 2013)

Quantitative and qualitative are methods that are used in empirical research by data collection from respondents. The quantitative method focuses on obtaining measurable data that expresses answers with numeric values or graphs, whereas the qualitative method focuses on collecting extensive insight into understanding underlying behavior and thoughts through expressed words rather than numerical values. Fewer respondents are required for the qualitative method compared to the quantitative method and questions are more often open-ended rather than closed for qualitative research (Salvador 2016; Streefkerk 2020)

Although the quantitative research method is more common to the deductive approach according to Salvador (2016), the qualitative research method will be used for this research. The research objectives and questions for this thesis are related to in depth decision-making, thus simple statistics would not give sufficient answers to the questions, however enrichen the data, wherefore qualitative research methods are used.

Existing data collection methods for qualitative studies include interviews, focus groups, ethnography and case studies. Ethnography is the observation of behaviour in a community for a set period of time, interviews are verbally asked questions by the interviewer to the interviewee through phone or face to face. Focus groups include discussions with people from a selected group of individuals and case studies are comprehensive studies about an individual or organization. For this research, direct qualitative research will be conducted through semi-structured interviews with individuals from a focus group of individuals (the target group) until the data collected saturates, requiring an appropriate number of respondents to reach the point where no new information is gathered. The interviews for this research will be conducted through the phone due to the current global situation with an ongoing pandemic. Case studies may be too extensive and would also require observation of the individual, which also suggests that ethnography alone is not enough to answer the research questions. (Nyumba, Wilson, Derrick, Mukherjee 2018; Salvador 2016; Streefkerk 2020)

The semi-structured interview style is chosen for the reason to be able to have open-ended questions related to the topic, but also give the opportunity for the interviewee to explain further if possible. A fully structured interview would not allow the interviewee to elaborate, which could cause difficulties in the analysis of the data and not give completely true answers to connect them to the theories. On the other hand, an unstructured interview could get too broad and discuss topics outside of the research. (Statistics Solutions 2020 a)

3.2 Data Collection

The empirical data collection begun with the collection of advertisements and information on individuals who were selling used homes privately. This data has

been earlier presented in subchapter 2.2.1 and contact information was saved for the purpose of conducting the interviews later. The next step is to create questions for the interview based on the existing theory and the research questions. As concluded in the theoretical framework, the decision-making process is a vital part to receive answers for the research questions, wherefore questions related to that are included, as well as the different hypotheses created earlier for what the final reasons are to sell privately. The semi-structured interview questions can be found in appendix 1.

Sampling is the choice of, in this case, interviewees from the population. The population size is 73 people, as estimated earlier to be the number of people selling their homes FSBO in September 2019. As the qualitative research method is used, the sample size does not have to be the whole population size, also considering the fact that all individuals might not want to participate in the interview. The two most common sampling techniques in qualitative research are purposeful and convenience sampling. Convenience sampling is to choose participants that are more often easily accessible, perhaps when considering the location, and convenient to contact, however may be low in credibility and generate low quality content. Purposeful sampling, also called selective sampling, in which the researcher finds participants that meet the criteria set by them is used in this research for the population and the sampling is done randomly within the population. (Statistics Solutions 2020 b) Information such as the seller being willing to consider purchasing the service from a real estate agent for the sake of the buyer will be considered and those will be contacted for the interviews. As mentioned earlier the interviews will be conducted through the phone and the interviews will be recorded for the ease of producing transcripts which can be more easily analyzed.

3.3 Analysis of Data

Qualitative Data Analysis (QDA) will be the base for analyzing the respondent's answers. This is to transform the collected data into understandable explanations and interpretations of the interviewees and their responses in the settings they have been or are in. Four main steps conclude the QDA: collection of the data, careful understanding and making of memos of the interviews, comparison of all the data and finding similarities and differences and lastly, interpreting and summarizing the

findings. (Bhattacharjee 2014) Considering this research, colors will be used to split up the thoughts of the respondents with the different theories. Each theory has a color, with which the comments made by the respondents will be colored with in the transcripts related to the theory. An example of this is provided in below **Table 4. Analysis of Transcripts with Colors.**

Table 4. Analysis of Transcripts with Colors

Theory	Specific Part of Theory	Comment by Respondent
General Theory	Platforms	"I used Etuovi, findit, tori.fi and Facebook for marketing"
Information Search	Experimental Source	"I had 5 agents come and value my home before I self privately"
Evaluation of Alternatives	Save on Commission	"I wanted to save on the high commission"
Decision	Purchase Decision	"I had to switch to an agent when I moved"
Purchase evaluation	Service Quality	"I chose an agent with a good strategy, but ultimately it did not go as planned"
Other thoughts	The Market Situation	"Now (during corona-times) we could not have the same asking price as normally during Spring"

4 RESULTS AND ANALYSIS

In the next part the results and analysis of the interviews and the research will be presented and explained. Firstly, the results will be presented individually with focus on the content, word choices, frequency of same point mentioned and relation to the theories presented before, where after there will be a comparison of the interviews together and an analysis in terms of customer satisfaction and the theories. All in all, four interviews were conducted between April and May, 2020, through the phone. They were recorded to ease the process of analyzing and lasted from 15 to 30 minutes. In the last interview no new thoughts arose compared to the other interviews, wherefore it was concluded that the results saturated. In total 12 individuals were contacted, four sellers did not answer, two did not want to participate and two were actual real estate agents, wherefore they were disqualified from the research. The transcripts can be found under appendices 2-5.

4.1 Interview no. 1

The first interview was conducted in the end of April and lasted for around 20 minutes. The home in question was a terraced house marketed on Findit and was not sold before the interview. The overall feeling presented by the interviewee was, to some extent, negative towards real estate agents, as the seller explained how they had questioned agents and made commented like: “I do not see how an agent brings more value to the process” and “...several agents wanted to sell our home, because they thought they had much bigger networks than I did”. Later the seller hired an agent to sell the home, however the reason for this did not appear during the interview.

The information search seems to have been mainly done through the personal and experimental sources, possibly also commercial sources such as the banks webpages. As the interviewee mentioned often that they prepared the documentation and contracts themselves without an agent in the bank instead, it is believable that the commercial sources were used to find out how the bank can help the seller in the process. “Loved ones” of the seller have sold privately before, from where they heard both good and bad experiences. Not only was this the part of information search for the seller, but also a factor to think about in the evaluation

of alternatives stage. The experimental source was used by having five different agents to come and value the home, based on which the seller set the asking price for the home later when the decision had been made to sell privately. To some extent, it can also be said that the seller also had information about selling privately from before, as they had bought the home from a private seller, which can be classed as an experimental source in the sense that they had previous experience from another perspective to go from.

The interviewee initially started to sell privately due to the high commission that agents receive for their work and the fact that they had no rush to sell the home. The commission was discussed three times during the interview and described as “unreasonably high”, the seller’s thoughts were that they could do the sales themselves for that sum. They questioned an agent for the amount of commission that they take, as the agent had brought a potential buyer to the home for a tour, but “it ended with me having to show the home to the potential buyer, while he was walking around in his suit”. It is unclear, whether this was before or after the seller changed from FSBO to an agent, as it is also mentioned during the interview that agents would appear unannounced to home tours while it was being sold privately. That there was no rush to get the home sold was also mentioned twice, and it became evident that if there would have been a need to get the home sold quickly, then they would have thought differently about selling FSBO. This conforms with the theory that on average real estate agents would sell homes faster than private sellers, at least on a level of an initial thought about the matter (Mansikka 2019).

The seller had five agents to do a valuation and give an estimate on the price of their home. According to theory, it is more common for agents to value the home less than the seller would (Levitt et al 2005), however in this case the seller says that the agents estimated the price “way too high”, although when selling the home privately the seller set the asking price similar to what the agents had suggested. “It seems like agents do not know much either” the seller comments on the fact, and brings up how the price has been lowered and still needs to be lowered at two more occasions during the interview. At the time of the interview no new offers had been received and the seller said that they need to lower the price more, where after the price would be around the same as what they originally were thinking it should be.

Although the seller seems to not agree with the agents' pricing of their home, they still set the asking price as the agents thought, so this might not have been an initial reason for choosing to sell privately.

As per the law, the seller is liable to disclose all relevant information to the buyer or the agent regarding the home, as discussed earlier under the chapter Process for Property Sales (Linnainmaa, Palo 2005, 51). The interviewee stated that agents "... have no responsibility in the whole deal", with most likelihood referring to the seller's liabilities compared to the agents in the sales process. Also, in their opinion the root cause is that the agent "...does not do so much work" wherefore they wanted to try to sell privately and see how it goes, as they also had the time and interest for it. They also claim to have lost some trust in the agents, after an agent could not give an answer to them why they are worth the commission and what more they do that the seller cannot do themselves.

The location of the home appeared to be in a good area, which the seller and the agents seemed to be aware of. The seller had asked an agent what could be different if the home was sold with an agent than privately, considering the location, and the agent had conformed to that. As explained before, marketing of high-involvement products requires differentiation to increase the interest with the buyers as stated by Kotler and Armstrong (2011), which the seller made sure to mention in the advertisements. Nevertheless, it had crossed the mind of the seller that potential buyers might be afraid to buy from individual sellers rather than agents, and in the advertisement the seller had written that if requested, an agent can do the final contract and administrative tasks. When showing the home to the potential buyers the seller also told them that the contracts will be done at the bank and if really required, with an agent as well.

Lastly, the point brought up several times was the market and how that determines whether a sale will be successful or not. They believe that if the home would have been for sale during spring, if it was not for the pandemic, then the home would have been sold possibly faster. The asking price has also had to be lowered due to the market situation, as the demand naturally decreased.

To conclude, the main reason for interviewee no. 1 was to save on the commission, which they were consciously aware of. Analyzing the transcript more reveals that they wanted to see how it would go and that they had the motivation and time to do it themselves. Further, there was no rush to sell the home, so time was not an issue in that sense either. The seller did not have much positive to say about real estate agents in general, however, it cannot be determined whether they thought the same way while being in the evaluation of alternatives stage, or after agents were involved in the seller's private sale. As the price valuation done by the agents came up several times, it seems to be something the seller thinks of much, however it does not seem to be a crucial reason for the seller to sell privately. The main sources used for the information search were the personal, experimental and commercial as concluded from the interview. Figure 6 shows a mind map of thoughts revealed by the interviewee.

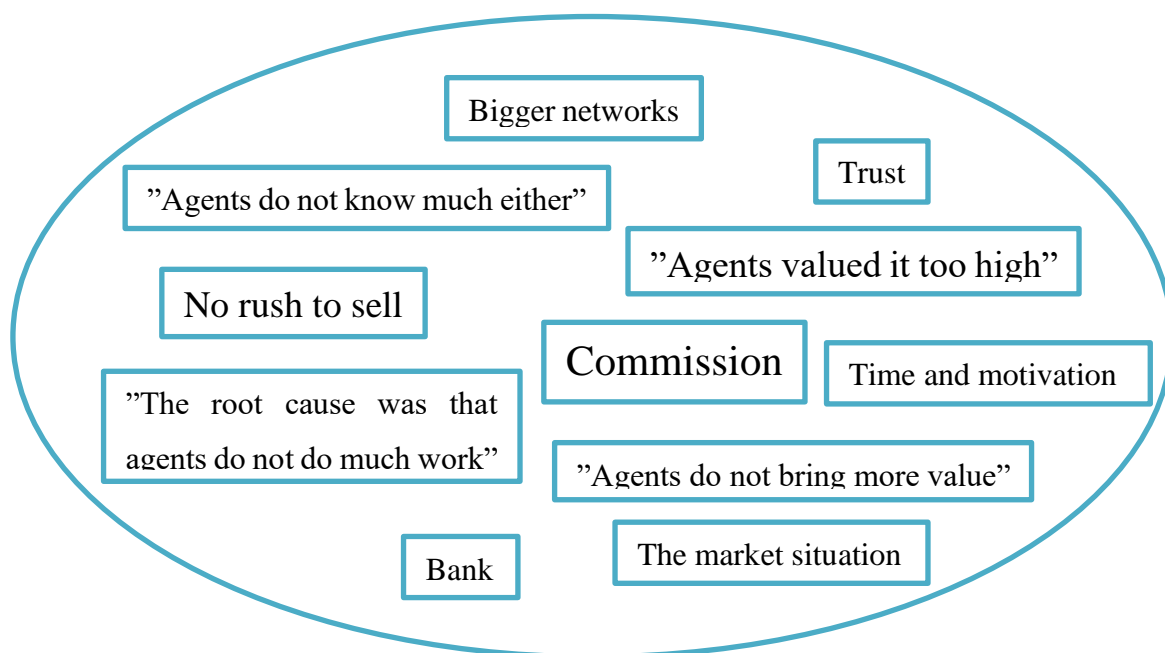


Figure 6. Mind Map of Interviewee no. 1

4.2 Interview no. 2

The second interview was conducted in the end of April and took around 25 minutes. The seller owned an apartment, which, as for when the interview was conducted, was not sold yet at the time. Etuovi was used as the main platform by the seller for the marketing of the home, but also for the administrative tasks, for example how different contracts should look like, and a checklist from Etuovi was

used to make sure important things had been done and thought of before putting the home out for sale. "...I found the Etuovi service and I think I found everything I needed there" the interviewee comments on the platform. They knew of two other services that could be used: Blok and DIXU and they researched online about these when they came across Etuovi, which allowed them to save more on the costs, as the two mentioned services did charge a higher fee. The seller explains that through Blok the sale is done privately, one gets all needed material from them and they can take the photos for the advertisements as well, however there is a designated person from the company for each home, who take care of the bids and offers received for the home. DIXU is similar, one can choose between different services, "for example an easy package or to have an agent" and they help with taking photos also. The seller comments that the fee these services charge is "affordable" and they would have switched to Blok otherwise, but they moved abroad and had to hire a real estate agent. It comes across three times during the interview that if the seller would have had more time before they were moving abroad they could have managed the sale privately. This was mentioned in the subchapter Change from FSBO to the Service of Real Estate Agents by Knuts (2019) to be a reason for private sellers changing to hire real estate agents.

Etuovi was mentioned in total of seven times during the interview, and the seller seems to be pleased with the service that is provided by the platform for private sellers: "there are ready-made documents related to offers, sales brochures and much more which I used and would have used if I sold the apartment myself". Other platforms that were used for marketing were Findit, Tori.fi and Facebook groups, in all which the Etuovi advertisement was linked. The seller also reveals that if a buyer would have requested for an agent to be present, they would have agreed to it.

What comes to comments made about regular theory, the seller means that apartment shares are easier to sell privately as there is the condominium helping in the background, while they say they "would never sell privately a detached house". It is easy in that sense that certificates and reports can be gotten from the property manager and they can be shown to possible buyers. Also, they have observed the fact that it is more common to sell FSBO in the capital region of Finland and that

the commission percentages charged by different real estate agencies vary a lot. What comes to the market difference in Vaasa versus Helsinki, the seller commented twice that “Vaasa is old-fashioned” as it is not so common to sell privately in Vaasa. Also, the market situation is mentioned and that it is not possible to have the same asking price as in the beginning, referring to the pandemic and the time that has passed with the home being for sale without being sold.

Information search was done through friends, online and through agencies. The personal source, friends in this case, have sold homes privately through Blok, which the seller said seemed smart. While searching for information about Blok the seller came across Etuovi, and this is probably both a public and commercial source that was used, as both information classed as these were observed online. The seller also had two agents come and value the apartment, which will be an experimental source, and these prices they compared to the price estimate given by the function on Etuovi: “Etuovi gave a price estimate when all details of the apartment were put in, e.g., size and location, then it gives a price range”. The agents had estimated a lower price for the apartment than what the seller personally had, which they say crossed their mind while thinking of selling privately or with an agent. Lastly, the seller also did another “experiment”, however this was after it had been decided that they need to sell with an agent as they were moving: “... now I had to take an agent” is what the interviewee said and with the choice of words it sounds like they were forced to, although they really would not have liked to. The seller met with seven different agents from seven different agencies “to see how they work and what they think”, where after they decided for an agent who had caught their attention with a good strategy to sell the home.

The purchase evaluation for this agent was not positive, as it seemed like “the agent was not so motivated to sell it”. According to the seller the agent did not let the seller know when there would be coming possible buyers to see the apartment and how many had come to see the home. The seller “had to constantly ask the agent about everything and ask them to raise the advertisement in Etuovi, put the home on social media...” as this had been agreed with the agent, however they did not apparently follow through with the promises. They comment that agents “do not have the same interest” as the sellers. Here the lack of communication was evident,

although not in the way as suggested could happen in the theory earlier, with the choice of negotiation tactics. Also, what comes to the comment about agents having different interests than the seller, in this case it did not either conform with the theory of agents wanting to sell the home fast to receive a salary, as suggested by Levitt et al (2005), but the agent did not seem to work for the home to be sold faster, as they for example did not update the Etuovi advertisement for it to be at the top of the list on the platform. The seller then changed after the three-month contract with the current agent ended to another agent in another agency. “It is annoying when it takes so much time... I had to finish it (the contract) even if I wanted to cancel it earlier when it did not work” the seller comments about the process, as confirmed by the law there needs to be a weighty reason to end a brokerage contract (KKV 2014 a). The seller thinks that they would have done a better job themselves, which confirms well how the service quality was perceived as for the seller.

It seems like the consumer decision-making process by Kotler and Armstrong (2011) can alter after it has been decided that one cannot sell privately anymore. In this case, there was first the need recognition that the sellers are moving abroad and cannot sell privately anymore. Secondly, they knew that they needed to hire an agent, which is the decision. Thirdly, the sellers found information through the experimental source for which agent to hire and hereafter there was the evaluation of alternatives and finally another decision was made; which agent should sell their home. Purchase evaluation was eventually done, and the information search started off again with new alternatives to evaluate and a new decision.

As to determine the main aspects of interviewee no. two on private sales and agents, they brought up often words resembling to saving, and they commented three times on the commissions of agents being too high. They also had interest and motivation to do the sales privately, however time came in the way and they could not finish it themselves. Already perceived knowledge existed, as the seller has worked in a bank and often in cases which had involved home sales. The interviewee commented that they do not believe agents are as motivated as the seller and might not do proper work because of that, also as agents have many more homes for sale simultaneously they can easily forget things, while if a homeowner themselves would sell, one could more easily trust that they tell the buyers about everything.

Finally, they state that agents do not have as much responsibilities as the seller, as presented in the theory about the responsibilities of agents and sellers. Figure 7 shows a mind map of the interviewee's main thoughts.

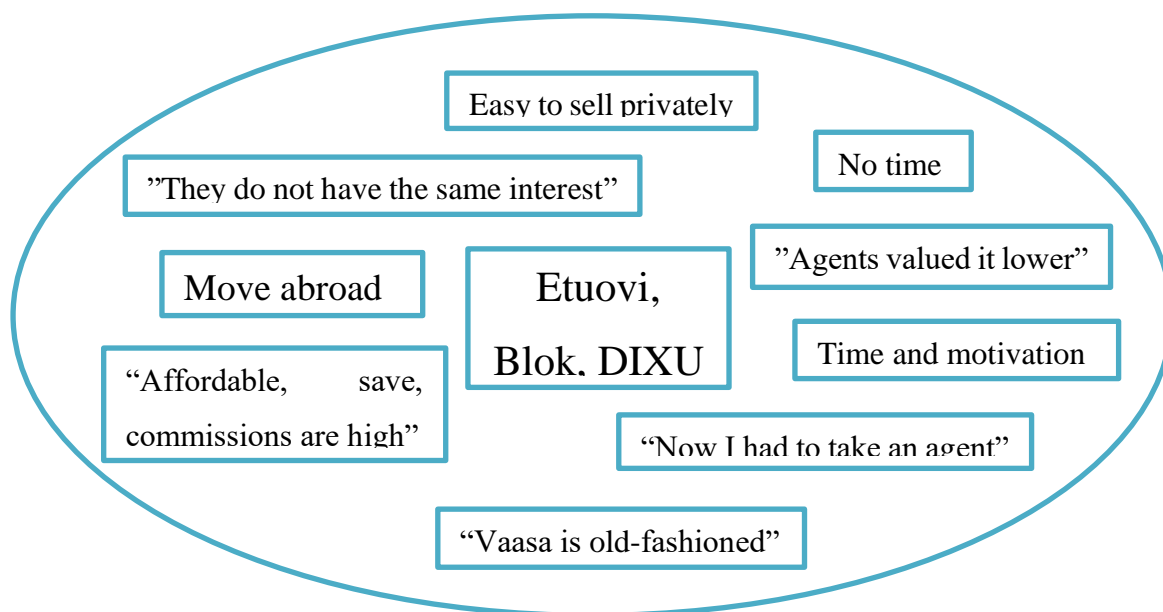


Figure 7. Mind Map of Interviewee no. 2

4.3 Interview no. 3

Interview no. three was conducted in the beginning of May and lasted around 15 minutes. The home for sale was a detached house and was sold privately, with the help of the bank and also an agent for specific purposes: to value the home and assist with the administrative tasks with contracts and legal matters when the home was being sold. A professional also did the condition check of the home, so that “we had that black and white, that everything has been checked and was in order”. The seller stated that the starting point for selling was “to get it forward... as there was no rush to get it sold” and sell it with as low costs as possible, because the home they sold was not according to them “so valuable”. Earlier they had sold two more valuable homes with agents, and they confirmed that the latest home they sold they did not sell with an agent due to the fact that it was not as valuable.

The factors thought about in the evaluation stage were mostly the cost, previous experience with agents, and the value of the home. The cost of commission was said to be one of the reasons for selling privately, however it is mainly linked to the fact that the house in question was already of low value and the profit would not

have been as significant if also commission would have been paid. Furthermore, the seller has earlier sold two homes with agents, when the value of them was higher so the commission in that sense is not a deal breaker. As to the experience the seller has had with agents has not been disappointing, and they believe that agents in Vaasa will not do anything immoral or do a poor job, while in bigger cities, in southern Finland they do not trust them to the same extent due to news they have read articles.

The seller had not advertised their home on Etuovi as the other interviewees, but instead on Oikotie, tori.fi, Findit and also Facebook. All other phases in the process except for the legal part with the final sales deal and contracts, asking price, and the condition check as done privately: making the advertisement, photographing, publishing it online, negotiations and so forth. The price estimates did not differ greatly between the seller and the agent, however they acknowledged that their estimate was higher than that of the agent. The interviewee has worked as a seller most of his life, not of homes though, nonetheless the seller sees that their experience in the field does not differ much from the sale of homes. From this they had an idea on how to proceed with the sale privately, rather than looking for information from any public, commercial or personal sources. The experimental source may be considered to have been used, as the seller set the asking price according to the agent's assessment. Figure 8 recaps the interviewees main

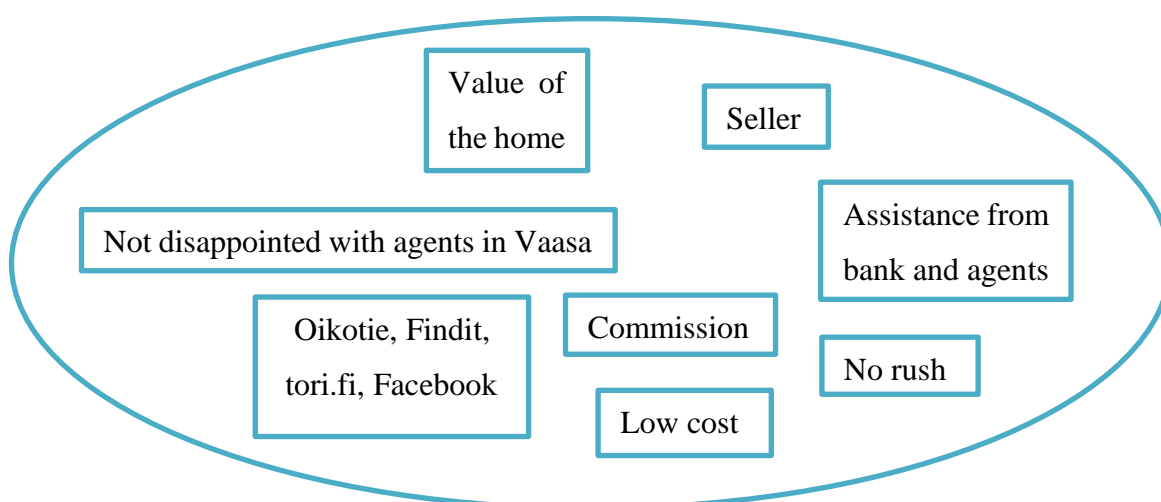


Figure 8. Mind Map of Interviewee no. 3

thoughts.

4.4 Interview no. 4

The final qualified interview was conducted in the beginning of May and lasted for about 15 minutes. The home in question was an apartment and there was some involvement of a real estate agent, who was an acquaintance of the sellers, however, to most part the sale process was done privately. Although, the apartment had not been sold yet at the time of the interview and it had been rented out instead. The photographing and styling of the home was ordered from the agent, while the rest was done by the seller. They have before sold privately, which gave them the assurance of trying it with this particular apartment as well. There was no rush to get it sold and they wanted to see if there was any interest at the time. The interviewee will try to sell the apartment again privately after the summer, when the current tenants have moved out.

The main factor appearing repeatedly in the interview for why it was sold privately was that there was no rush to get it sold, which seems logical as it was possible for them to also rent it out. What the seller was mostly interested in was to see if there was interest for potential buyers to purchase it. Also, the most common factor of saving on the commission was brought up twice. The commission was brought up together with the context of checking if there were any interested buyers, which can imply that if one actually has no hurry to sell it, one can check the market by selling privately and saving on it, as to if it was done with an agent and was not sold, there would be more cost. Related to the cost, the seller advertised the home only on free platforms, such as Facebook and Findit, which complies with the fact of wanting to save on costs.

The seller had asked the opinion of the asking price of the acquaintance, to what the seller comments that “it was known on both sides quite well what it should be...”. The asking price to be set was clear for the seller, wherefore they also did not ask any other agents for their opinion. There have been no bad experiences for the seller with agents previously and neither with the seller’s friends or family, which we can accept as the image the seller has of real estate agent, so when it comes to the question of why they sold privately one can assume that it was purely due to financial reasons. Figure 9 shows a mind map of the interviewee’s main thoughts.

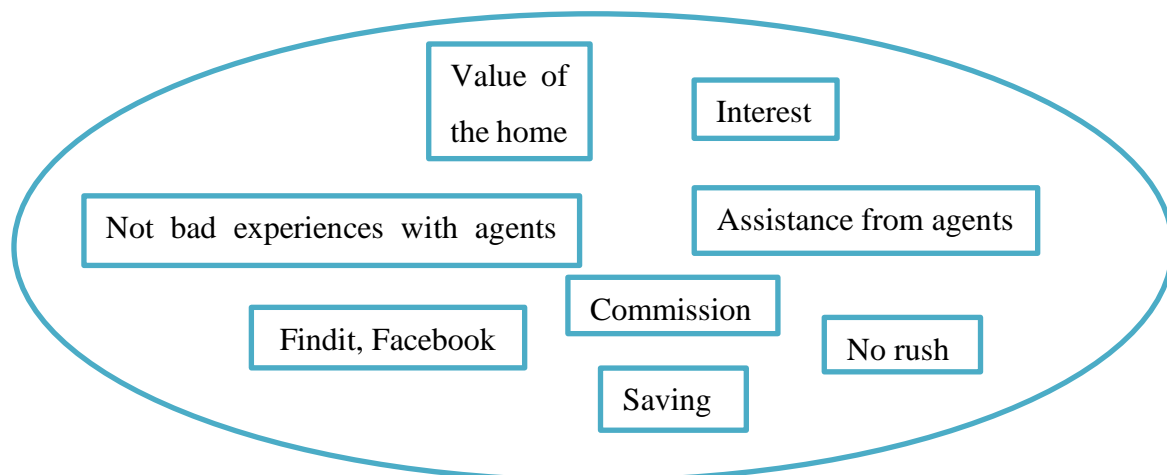


Figure 9. Mind Map of Interviewee no. 4

4.5 Comparison of Results

Next, there will be a comparison of the interviews to determine which factors relating to the theory appeared for more than one of them and if some did not appear at all. As a general overview of the interviewee's answers, one can claim that they have had different experiences with real estate agents, but do have in the end similar motives for why to sell privately rather than with an agent. The physical marketing of the homes being privately sold was done fully on the public market place – online, with the four interviewees and none of them mentioned to have used newspapers or other traditional marketing tactics. It is assumable that word-of-mouth was used, by telling family and friends of the home for sale who spread the word forward, however, this did not become evident in the interviews. Two out of four used platforms which are specifically adapted for the sale of homes: Etuovi and Oikotie, while the other half used only free platforms such as Findit, Tori.fi and Facebook – Facebook revealed to be common as three of the interviewees had posted about their home there.

In the information search stage most of the respondents had used the experimental source and personal source. Also, the commercial source was used by two and the public source was used by one, while one of the respondents claimed to have at this sale not have used any of the sources, but instead had the needed knowledge from previous sales, as also one respondent had who partially used the experimental source for this sale. As Kotler and Armstrong (2011) claim that friends and family's opinions are more valued and their example is more often followed, it can be seen

in this research as two had discussed it with people close to them. *“The reason for an individual to sell their home privately is due to influence from personal connections”* is partly accepted as an external threat for agencies, however this has most likely been a less weighty reason together with another weightier reason for why to sell privately. The next hypothesis related to the connection between the seller and the agent is rejected: *“the reason for an individual to sell their home privately is because they do not connect in a desired way with a real estate agent”*. This is because half of the respondents did not claim to have had bad connections with agents, while the other half seem to not have found good connections with an agent or agents, however only after the home had been privately for sale, so the decision had already been made. Lastly, *“the reason for an individual to sell their home privately is because they know that a buyer can be easily found or has already found one”* relates to demand and personal connections. No one of the respondents claimed to have known a buyer for their home, however, one claimed that due to the good location of their home there would exist demand for. Consequently, for this research, this hypothesis is rejected.

In the evaluation stage the expected service, promises and image of the agents and agencies has been evaluated, as asserted by Grönroos (1984). As defined earlier, the expected service is a combination of promises, the image and previous experiences. Two of the interviewees had previous experience in selling privately, wherefore, they were not required to search for as much information regarding private sales versus with agents. Neither had they as a thorough evaluation of alternatives process, as it was ultimately clear for them to sell privately because of their previous experiences. Although one of the respondents had had positive experiences with real estate agents before, they decided for FSBO to cut down on costs. Most of the interviewees commented that if they were in a rush to sell the home, they might have considered to hire a real estate agent, which indicates on the seller’s views on agencies promises to sell quicker.

In all the interviews it was disclosed that the sellers intended on being cautious with their finances: all stated that they wanted to save on the commission. In addition, two of the sellers only used platforms for marketing that were free, which shows the importance of the fact that they wanted to do the sale with as low costs as

possible. The claim that it is more common to sell privately in Helsinki or other bigger cities in Finland was brought up by one interviewee, as well as another one in the sense that they experienced the commission to be too high in relation to the value of the home. The hypothesis “*the reason for an individual to sell their home privately is to save on the cost*” can, based on the research done, be accepted as an internal weakness with real estate agencies.

When it comes to the valuation of the home, half of the respondents were satisfied with the agent’s assessments, although one of them revealed that the price estimated by the agent was lower than the one of the sellers, while the other half were not pleased. Interviewee no. one had received an estimate that was higher than what they thought the price for the home could be, which is not common according to the theory. Levitt and Syverson (2005) mean that agents would value the homes lower than sellers, which was the case for two of the respondents, while a third one stated that both the agent and the seller had estimated a similar price for the home, which conforms to the theory presented by Bernheim and Meer (2007). “*The reason for an individual to sell their home privately is because they do not agree with the real estate agent’s valuation of the home*” is the hypothesis related to the pricing of the homes made by the agents compared to the seller’s own assessments and based on the results this is somewhat accepted, however not fully as half of the results accepted the valuation of the agent done. Therefore, the hypothesis will be concluded as rejected for this research, as additionally, the results showed that the main reason for selling privately was not indeed due to the valuation done by the agents. Both respondents that did not agree with the agent’s assessment also ended up selling with an agent, perhaps to expedite the sales process and as one of them moved away, however desired to continue the sales, which indicates that the valuation cannot have been as a weighty reason to sell FSBO. This is however, both an internal and external weakness for agencies, as it relates to the agents own assessments and the seller’s own interpretation of the price.

As stated by Stamsø (2014) sellers might want to do the sales privately without an agent for the journey and interest in it, which was accepted by all the respondents, furthermore, especially the fact that most of them had the free time for it. The hypothesis related to the motivation and free time is “*the reason for an individual*

to sell their home privately is related to their own motivation, interest and available time for conducting the process privately” and this can be accepted as all interviewees conformed to it, although one interviewee did not have the time later when they moved, at which point they changed to sell with an agent. This is an external factor, not related to the agencies work, and as sellers have the option to choose which part of the sales process to purchase from the agencies, this has to a great extent been realised by the agencies.

When it comes to the sellers' levels of trust towards agents the hypothesis is split between two respondents who have never had bad experiences with agents, one respondent who consequently does trust the agents, but has with the current sale had complications with an agent, but mainly experiences that it was specific with the agent in question rather than losing the trust towards all real estate agents. The fourth respondent stated that they “lost some trust” in the agents after the current incidences that happened during the private sale. No one experienced that agents would not inform the seller of all offers they have received for the home, so in this aspect the hypothesis is rejected.

The research by Levitt and Syverson (2005) is of main focus when it comes to trust in agents, in the case where the agent would have personal motives that they prioritize more than those of the seller. One of the respondents stated that agents would have different interests than the sellers, which conforms with the theory. Another respondent commented that they question the fact that agents would have more connections of possible buyers than the sellers themselves, which can be correct in some instances, however agents might have more connections with actual buyers while sellers have a general network of people who are not necessarily actively searching for a home to purchase.

As claimed by Shukri (2019) the agencies compete with different factors, which makes it difficult for sellers to know who to choose as their agent. This was seen with one of the respondents who tested seven different agents from seven different agencies, to see who would suit them best. To some extent this can be assumed as a lack of trust, but also as a correct view on the definition of services, as these are intangible, perishable, heterogenic and inseparable, which amongst other things explain that a service provided can nearly ever be the same each time. The

interviewees have different experiences and views when it comes to agents, however, these are necessarily not on the same agent, but that the respondents simply have different expectations, which cannot always be met when it comes to services. (Dibb, Simkin, Pride, Ferrell 2012; Yli-Korpela 2002 a). To conclude the hypothesis “*the reason for an individual to sell their home privately is because they do not trust the real estate agents*”, will be rejected as the respondents either stated to trust the agents and their work or in the end did end up selling with an agent, as the negative experiences seemed to have occurred after their trial to sell the home privately.

The functional quality of real estate agents was directly commented by one of the respondents, who stated that the agent “just walks around in his suit” and “does not do anything more for the 4% commission than what the seller themselves could do”. Two of the respondents stated that they are satisfied with real estate agents work, which might suggest a both positive view on the technical quality as well as the functional quality. Two of the respondents had neither yet experienced the technical quality in the process of sale with the current home, referring to the actual sale of the home with agents, while they had experienced the functional quality, which were to a great extent negative. As a summary, the customer satisfaction when it comes to real estate agents is split into half, as two respondents commented to trust and be satisfied with the work of agents, while two had not yet experienced the complete service quality to determine the final rate of satisfaction.

Table 5. Summary of Results

Information Search			
Hypothesis regarding personal connections - partially accepted	Hypothesis regarding the connection with agents - rejected	Hypothesis regarding seller knowing a buyer - rejected	
Evaluation of Alternatives			
Hypothesis regarding cost saving - accepted	Hypothesis regarding agents valuation on home - rejected	Hypothesis regarding sellers motivation and free time - accepted	Hypothesis regarding the seller's trust in agents - rejected

5 CONCLUSION AND DISCUSSION

As stated by Larceneux et al. (2015) the perceived advantages realized by private sellers is the “relevant outcome, efficient process, psychological security and social facilitation” when considering using an agent or not. The findings of this research confirm with this statement, more or less, in all aspects, as the main reason to choose an agent is to get the home sold faster and with more ease. Three out of the four respondents would have agreed to use real estate agents for the administrative tasks at the end of the sale if requested by the buyer, which can be claimed to bring both psychological and physical security to the process, as it minimizes the possible information asymmetry present.

Commission was agreed to be the main reason for the respondents to sell privately. Furthermore, one of the respondents had previous positive experiences with real estate agents, but as the value of the home was not as high as with the previous homes that were sold with the help of agents, they decided to sell privately. Additionally, another respondent saw this as an opportunity to discover the interest of buyers for their home, when there was no must to sell, as the home also could be rented out. From this we can conclude that the issues do not necessarily lie with the agents, but with the possible financial savings that could be accomplished privately. The market situation is so that agents should receive a commission for their work, however this is ultimately an internal reason with the agencies for why sellers chose to sell privately instead. Moreover, if there was a rush to sell the home, sellers would consider further hiring an agent, which is seen as a personal reason rather than being an internal reason for the agencies.

Two out of four had started to sell privately, but changed to hire an agent later. An interviewee felt they had no other choice than to hire a real estate agent as they were moving abroad and had no time to sell the home privately, which was mentioned by Knuts (2019) to be one of the reasons to change from FSBO to real estate agents. Only one out of four interviewees homes were sold privately, while the others were either rented out or changed to be sold by an agent, which does conform with the theory of 80% of the homes being initially for sale privately are finally sold with a real estate agent (Re/max 2018).

Gielen (2014) comments that in the French real estate market the agents do not communicate their benefits enough to the consumers. The results of this research can neither support or deny this statement, however two sellers interviewed for this research seem to be aware of the benefits of the agents work, but doubt them more due to their bad experiences with them. Further, the sellers with good experiences with agents ought to be aware of the benefits, but choose to sell privately for other reasons, such as the commission.

5.1 Further Research Suggestions

This research being about the specific underlying reasons found during the decision-making process between FSBO and hiring an agent in Vaasa area is limited. Further studies could be conducted for example from the buyer's perspective or with a quantitative approach. With a quantitative method it could be determined who the individuals are that sell privately: their age, gender, profession, location etc. Quantitative research could also give indications on how many actually sell their homes FSBO and how fast, compared to with agents. In relation to this research, the quantitative approach would have produced a rate to be applied to each hypothesis, which would with statistical terms either accept or reject the hypothesis. As suggested in a Norwegian research, the older generation has more time and experience to sell privately compared to the younger generation (Stamso 2014).

Grönroos (1984) states that the functional quality is of more importance than the technical quality. This did not become evident in this research, however more comments were received of the functional than the technical quality. Future research could determine the importance between functional and technical quality in the real estate market with agents. Furthermore, as two of the interviewees revealed that they would have agreed to have an agent present for the administrative tasks, further studies could be made from the point of view of the buyers and what the underlying reasons are for them wanting a real estate agent to be present at this stage.

As implied by Kotler and Armstrong (2011) the background of the sellers' impact the evaluation process and the outcome. Factors to consider could be cultural, social, personal and psychological, as well as the age and gender, which were not

discovered and analyzed in this research. Further, the findings of this research could conclude ways for Kotijoukkue to promote themselves, for example in relation to the seven P's marketing mix for services or Kotler et al's seven step selling process (Räsänen 2012).

This research was aimed to answer the question why some sellers change from FSBO to hiring agents, however this could initially be studied from a quantitative approach to determine the different reasons, where after they can be analyzed in-depth. In this thesis the only reason realized was that the seller could not be physically present to conclude the sale, which made them change from private selling to sell with an agent.

5.2 Validity and Reliability

Validity and reliability in research are to critically look at the data gathered and see the correct correlation with it and the research question. Validity indicates the extent to which the method and approach used in the research actually measures what it is supposed to measure, hence, is the research question answered honestly with the method used. (Middleton 2019) In this research the qualitative approach was taken, as the research question related to thoughts and opinions of sellers, rather than statistical values for how many think a certain way. The research could well have been conducted with a quantitative approach also, however, no deeper insight into the reasons would not have been gained, which the client wanted to know. A test interview was conducted with the first model of interview questions, this interview was tested with a close connection who has sold privately before. After the test, the questions were altered to fit the contest better, where after the four real interviews were conducted.

Reliability indicates to which extent the same results can be re-generated, if the research is conducted several more times in the same manner. (Middleton 2019) The asked questions in the semi-structured interviews were in relation to the research question and the theories obtained in the theoretical frame, however, as the interviews were semi-structured, the interviewees responded in different manners to the same questions, wherefore the results vary in the obtained relevant data. Triangulation could have been done, as mentioned earlier, to also obtain numerical

data for the research. This is also called complementary research, which uses both qualitative and quantitative research methods in one research, which would according to Campbell and Fiske enhance the fact that the results are not due to the method used, but rather be valid and reliable (Jick 1979).

The statistics presented in Table 3 cannot be considered to be 100% reliable as the data was quickly obtained, as well as some of the announcements were made by real estate agents, some might have been missed and all platforms were not studied, such as the social media platforms. Facebook was used by three of the interviewees in their marketing of their home, which indicates that most of the homes for sale do appear on this platform. Decisively, the statistics only gives a rough estimate on the statistics in Vaasa area in September 2019.

5.3 Ethical considerations

The main ethical consideration raised attention to during this research was the anonymity of the respondents. This was specified to the respondents before the interview was conducted, together with the fact that the interviews were recorded in order to produce transcripts that were to be analysed. Any private information or other none-relevant discussions held during the interviews have been removed from the transcripts. The contacted private sellers' wishes to not participate in the interviews were also respected, and any private information obtained from any of the interviews, such as the recordings and also from the disqualified ones, will be deleted and not shared to anyone else for the security of the individuals.

5.4 Limitations

Limitations in this research and the findings have been identified, however also factors that could be considered limitations will be explained why they were suitable for this research. Firstly, the possible limitation that there could exist relates to the interviews and transcript writing. The interviews were conducted in Finnish and Swedish, however transcripts were written in English, which can cause some facts or points to have been lost in translation. However, the interviews were listened to repeatedly and the transcripts read through carefully, to describe the correct emotions and thought communicated by the interviewees. Another limitation was the fact that only one the interviewees had actually managed to sell

their home at the time of the interview, while the other ones could not answer all the questions created for the purpose of the interview.

Secondly, it was noticeable that some of the interviewee's answers might have been biased, when it comes to their opinions about agents. For two of the respondents it appeared to be the case that the seller explained that they already before choosing to sell privately were doubtful against agents and their work, however, the interviews were conducted after they already changed to using agents in the process, which can have altered their view and add more to their memory. It would have been more reliable to conduct the interview already before the seller changed from FSBO to sell with agents, and another interview after the change was done. Further, related to the timing of the interviews, all the sellers contacted were selling privately in September 2019 and no one else was contacted from outside of this time range. This can be claimed to be acceptable, as this way the market situation has been the same for all four interviewees. If interviews would have additionally been conducted with sellers starting to sell privately in Spring 2020, the market has changed significantly and the interviewees answers could differ much from those starting to sell in Autumn 2019.

As two of the interviewees had previous experience in selling privately, they did not need to look for information regarding the difference between private sales versus with agents and neither had as much to compare with in the evaluation of alternatives phase. What was not realized to be asked as a follow-up question to this information was where they earlier had found information regarding this, in the earlier private sales. Although, considering the different timings and the differing market situations, this could be partially accepted to not have been asked. Lastly, the interviews were conducted through the phone, due to the ongoing pandemic. The ideal setting would have been traditional face to face interviews, as one can read the body language of the interviewee this was, as well as it would be easier to ask follow up questions related to the answers when being in a suitable setting and environment. To conclude, there were limitations in the research and there are more further studies that could be accompanied for this market, however, the research did conform with some of the hypotheses created and even further reasons were deducted from the results of the data analysis.

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APPENDICES

Semi-Structured Interview Questions

Before sale

- Have you sold a home without/with a real estate agent? Please tell more.
 - The whole process without, use of other sources such as bank, lawyers etc.
 - Did the first part alone (marketing, presenting the home, negotiations) but had an agent do the paperwork
- Where did you look for information on FSBO and real estate agents?
 - Personal (friends, family, neighbors), public (media, articles), commercial (agencies own websites), experimental (asking agents to evaluate your house, go to home-displays to observe the agents)
 - Did you check what is needed to be done in the sales process? With who, from where?
 - Did you already have thoughts about agents from before? Have you sold privately/with an agent before?
- Did you consider the buyers thoughts?
 - If buyers would not like to buy from a private?
 - If buyers would not want the owner show around the house?
 - If more buyers would have been interested in less personal advertisement/marketing?
- Why did you choose to not use a real estate agent?
 - What factors where important? Which pros and cons did you consider?
 - What are good things about real estate agents?
 - What are bad things with real estate agents?
 - What are good things with selling privately?
 - What are bad things with selling privately?
 - Which factor was the final deal-breaker? Or was it a mix of most, which ones?
 - Save on commission
 - not wanting agents to get the commission
 - wanting to save money
 - Price setting of home
 - did you not agree with the price assessment set by agents?
 - Lower or higher?
 - Personal interest and motivation
 - motivation to learn more and interested in doing it yourself

- motivated, interested and already has knowledge about the process, sold a home FSBO before?
- No trust in real estate agents
 - agent will not let seller know of all made offers
 - agents have personal incentives
 - agent does not assess and value the home to the same extent as the seller
 - agent will not do a proper job
 - bad previous experiences with agents
 - WOM – other persons experiences
 - does not know which agency is best for themselves
- Other
 - influence from personal connections
 - no connection with any agent
 - Seller knows that a buyer is easy to find or has already found one
- Something different?
- Did you feel it was an important decision to make to sell FSBO or use an agent before having a decision? Why?

During sale

- How did you market your home for sale?
 - Where? On free sites, costly sites?
 - Do you have any views on agents marketing tactics and in general?
- Did you run into problems, where you needed help from an expert? What kinds of issues?
 - Who did you ask? Did you consider asking a real estate agent?

After sale

- Post evaluation
 - Would you have done anything differently? Use an agent the whole process, not use at all?
 - Where you satisfied with the whole process?
 - Did everything go to plan?
 - Did you get the price you asked for the home?
 - Do you consider the price you got would have been different with an agent?
 - What was the reason/s for changing from selling privately to using an agent?
 - Why start privately initially?
 - What made you change to use an agent?
 - Not present to do the sales themselves

- Did not find buyer
 - Did not have time
 - Needed help with the process
- Do you think it was an important decision to make to sell FSBO or use an agent when the sale had been done? Why? Did you manage to sell the home?

Transcript of Interview no. 1

Hi! This is Bettina Knuts calling, I am writing my final thesis at the University of Applied Sciences about private sales of used homes in Vasa area. In September I looked through the internet to find people seemed to sell their homes privately without a real estate agent, and your name appeared, is this correct?

- ... Yes, that is right

I would like to interview private sellers, to know the reasons behind this choice to sell privately and not pay for the services of a real estate agent. Would you be interested and willing to answer these questions, now or later? Is it ok if I record our conversation so I can later write about the topics we discuss? I will keep this anonymous so your name and any information about the home will not show up in my final work.

- Sure, if there are only a few questions I can probably help. If it is quick it is fine. I can say that I have not sold it yet and that it is for sale through an agent now.

I see. Why did you choose to sell privately to begin with?

- The commission is unreasonably high. For that sum, you can do it yourself as they have no responsibility in the whole deal anyway. Letters of purchase and other papers can be done at the bank. I do not see how an agent brings more value to the process.

Have you had any previous experiences with agents or private selling of homes?

- This is the first time myself, but loved ones have sold themselves. So, I have been told from them their experiences, both good and bad. It is ultimately about the situation and the market.

The price setting of homes can vary between private sellers and agents, did you notice that in some way during your sale?

- I had 5 agents to value my home, so the price I set for the home was based on that. It seems like agents do not know much either. Many valued it way too high, compared to how I initially would have liked to set the price of the house.

Did you have personal interest, motivation and time to sell privately?

- Yes, I would say so. The root cause was that the agent does not do so much work, so why could you not put in an hour on it now and then yourself.

Do you mean you did not really trust them to do a decent job?

- Well, I can answer this with a short story. There were several agents who wanted to sell our home, because they thought they had much bigger networks than I did. I then asked one of them if in the end there is any difference whether it is sold with an agent or privately considering the area our home is located in (good location). The agent reasoned with that. One agent wanted to come and show a customer, whom we in the end even made a contract with, but not the final contract. So, I asked the broker what do you do more than me with the 4% commission, that I cannot do myself, because it ended with me having to show the home to potential buyers while the agent was walking around in his suit. I myself have fixed all the papers and contracts, but the agent could not answer why he would be worth the 4% commission. There I lost some trust in them, I would say.

So, you switched from selling privately to selling with an agent. Have you switched between different companies?

- No, with the same company. When I sold privately, I had agents come to the house tours unannounced from different firms, I did not know they did that.

Did you consider the buyer's possible opinions regarding private sales? Studies have shown that some people like to buy from agents rather than from private individuals.

- Of course, it was thought that private individuals may be afraid to buy from a private person. At the tours that I had myself I told them that the contracts are done at the bank plus that if they were really insecure then I had an agent who could have done the paper job. As I had written in the advertisement.

Was it clear that you were going to sell privately at first?

- It was not clear that we would sell privately at first, but as agents commissions were so high, I thought we could try to get as much as possible out of it (by not paying commission) and as there was no hurry to sell the home either, so we thought we could try. Either you succeed or you fail, this time we failed. But this was during autumn. So, if we would have sold it instead now in May-June if it were not for these Corona times then it is a different situation again. The timing and the price are a big part of how successful the sale can become. Now we still have a too high price.

Do you have any comments on that you think you still have a too high price?

- Yes, we started privately with 172,000 EUR and now we have with the agent 163,000 EUR. No bids have yet come so we need to lower more, and then we get to the levels I was thinking of from the beginning.

Did you have any thoughts on agents before?

- Not really, I had bought this home from a private person as well. Never really had to think about it.

Did you feel it was an important choice to choose between private selling and agents?

- Well, we felt that it was more to see how it would go. If there had been a need to sell it quickly, we might have thought otherwise...

The rest of my questions are related to after sales, so these maybe you do not need to answer at this stage.

APPENDIX 2

- Haha, yes. We started lowering the price now that the corona hit the worst, so just wait ... Sooner or later you will probably see. You can call at the end of July and we will see again.

Yeah right, haha! But then this is enough. Thank you and have a great day!

- Thank you and good luck! Bye.

Transcript of Interview no. 2

Hey! I am Bettina Knuts, a student from Vaasa University of Applied Sciences in the International Business programme. I am currently working on my thesis, which studies the private sale of used homes in the Vaasa area. That is, if at least some part of the sale process was done without a real estate agent. I am trying to hear about the different reasons that people have for this choice. In September, I checked the homes online that appeared to be for sale privately and you had one of them. Would you be interested in participating in an about half an hour interview, so I could get information for my thesis? The interview will remain anonymous and your name or information will not appear in the final guide. I also interview others with similar homes to maintain anonymity. I will record our conversation in order to later write about what was discussed, is this ok?

- Sure, it wouldn't bother me, even if it came up, shoot!

Would you tell me a little bit about when you sold your home privately and did you ever switch to a real estate agent?

- So, I first started privately and then my move to abroad came, at which point I switched to an agent.

If you had sold privately to the end, would you have also done the paperwork yourself, e.g. contracts, etc. or would you have asked for help from an intermediary or another party such as a bank?

- When you sell yourself through Etuovi, you pay a small service fee so you can use their portal and also make contracts through it. There are ready-made documents related to offers, sales, brochures and much more which I used and would have used if I sold the apartment myself. If the buyer really wanted an agent, I would have agreed to it. When it comes to an apartment share, then the sales process is much easier. I would never sell privately a detached house, as there is always a condominium in the background helping out with apartments. I also had saved my previous sales contract, which I also would have looked at as a model.

In the beginning, when you were thinking between these two options, i.e. private selling and using a real estate agent, did you immediately know that you were going to sell yourself or were you considering using a real estate agent?

- I knew pretty much right away that I was going to sell myself.

What were the reasons for this? For example, have you previously sold yourself or do you have family members or others who have sold alone and told you about it?

- In the capital region it is more common to sell alone, Vaasa is perhaps a bit old-fashioned in this way. I have friends who have used a Blok brokerage firm and there basically the whole sale is done by yourself. From there you get all the materials but the bids are left to them, as there is a person responsible for your home in that way, but you keep the tours and so on yourself. Then I thought some about that, then I found the Etuovi service and I think I found everything I needed there. This way I would have saved as I was selling a relatively small apartment.

Does this Blok take any reward for their work?

- Yes, they take a fixed amount, I think it about a thousand euros. That is pretty affordable and includes photoshoots as well. I would otherwise have switched to them if I would not have had to move so quickly, now I had to take an agent. Then there is another service called DIXU, where you can get the materials and then you can choose between different services, for example an easy package or to have an agent. And they also help with taking photos, among other things.

Did you have an agent to evaluate your apartment or how did you estimate the price of the apartment?

- Yes, I used an agent. Etuovi gave a price estimate when all details of the apartment are put in, e.g., size and location, then it gives a price range. And Blok does the same. I also asked two agents for a price estimate.

Was the agents price estimate similar to your own estimate?

- The agents estimated a lower price.

Next are a couple of theories that tend to be reasons why one would want to sell privately. If I tell these to you and then you will tell if these have been the reasons for you. First, saving on the commission.

- Yeah, that was in mind, as these commissions are pretty high prices.

Setting of the price. We discussed this a bit already and the agents rated your home lower than you did.

- Yeah, that crossed my mind.

Did you have a personal interest and motivation to sell yourself?

- Yeah, I had.

And did you already have knowledge about how this process works or did you have to read and learn more about it?

- No, I knew pretty well myself. I have been working at a bank and from there learned quite a lot as I have been involved often with home sales.

Then another theory is that there is no trust in the agents for various reasons. For example, first of all, no trust in them because agents would not tell you about all the offers they have received.

- It did not cross my mind, because they have to tell the seller about all the offers.

Would you believe that a broker would have personal reasons or motives, e.g., setting a lower price on a home to get it sold faster, or that they would not do their job properly because it is not as a personal thing to them as it is to the seller.

- It has occurred to me that they are not as motivated as the seller.

Has there been any other previous bad experiences with agents?

- Not before, but this same home was for sale when I moved so I then used an agent and it did not go as it should have. The broker was not so motivated to sell it, did not tell me when there were tours or really anything if there had many people come to see the home or not and so on. There I had a feeling that I would have done it better myself and I felt like an intermediary myself when I had to constantly ask the agent about everything and ask them to raise the advertisement in Etuovi, put the home on social media as agreed aso. That is, they did not do these things, even though it had been agreed on.

Did you then sell this home through this agent?

- It has not yet been sold yet, I switched to another agent and new company too. It is annoying when it takes so much time. And as the contract with the agent was for 3 months, I had to finish it, even if I wanted to cancel it earlier when it did not work. Let us hope this becomes good now.

So, you could say that you did not get a good connection with the broker and the cooperation did not work properly.

- Yes. I actually met 7 different agents from different companies in Vaasa because I wanted to see how they work and what they think. The one I chose seemed really good and had a good strategy, but then it went as it did. I then heard that he had had problems in his personal life and big things had happened. But it should not show or belong to the customer. With some brokers you click and with others you do not and disagreements perhaps come most about the price at which you are going to sell the home and the associated commission as these vary a lot between the companies. But this would be the biggest reasons for private sales.

Did you initially feel that the choice between selling privately and selling with a broker would have been an important choice?

- Perhaps I should have had more time to complete it myself, so that I would not have been in such a hurry when I had to move abroad. Vaasa is old-fashioned and in the end the agent does not have a lot of responsibility compared to the seller themselves. Personally, I would trust that if a resident themselves would sell their home, they would tell me everything, while agents could easily forget things as they have many other homes for sale at the same time.

Yes, good point. So, you had your home for sale on Etuovi when you were selling it privately, were there any other places?

- I also put on Facebook groups to which I linked the Etuovi ad. Also, in Findit and tori.fi.

Do you have an opinion about the marketing style of agents? Do they do something different than how you yourself could, for example?

- Well, I would raise that Etuovi announcement up and to the front page more often than the agents. After all, they do not have that same interest.

When you were still selling the home yourself, did you encounter any problems where you would have wanted to ask for help from an expert such as an agent?

- No, I did not. It felt relatively easy to do it yourself. Certificates and reports from the property manager and so on, as long as they are there you can show them if someone asks and wants to know. Etuovi had a really good checklist of things to do and think about before starting to sell.

When you switched to an agent, did the selling price drop as a result?

- Yes. After all, the economy is what it is, and now you cannot sell at the same price you started selling at. And it has been agreed that if I am not able to sell, I will then rent it out...

I see, thank you very much! These were the questions I had...

Transcript of Interview no. 3

Hey, Bettina Knuts here. Is this a bad timing? ... I am a student of Vaasa University of Applied Sciences and at the moment I am writing my thesis about private sales of homes in Vaasa, Finland. Last year I was looking online for homes that seemed to be for sale privately, that is, without a real estate agent, and your home and name came up. Is this correct?

- Hi, yes. ...

Would you be willing to answer some questions I have in this regard, it will take perhaps around 15 minutes by phone? I will record our conversation in order to later write about what was discussed, is this ok?

- Yes sure, I can answer. There is no hurry...

So, you sold the home privately, did you use a real estate agent for any purpose?

- ... Yes, it was used, the price estimate was made through a professional and the final sale with the paper work was legally conducted with an agent and the bank.

But then you did everything else yourself, marketing, house tours and negotiated the price yourself?

- Yeah. I put an ad in two to three places on the Internet and photographed myself and put in the texts, that had nothing to do with a real estate agent.

And was it the case that you just had ads on Oikotie and on tori.fi. Was it elsewhere like on social media?

- In Findit too. I guess I also posted pictures on Facebook.

When you started the private sale, were you looking for information on agents and private sales or was it clear from the start that you were going to sell it yourself?

- It was the starting point as there was no rush to get it sold, to sell it ourselves.

Did you have thoughts about agents in advance, e.g., heard from them or something about them that made you decide to sell yourself?

- I've been all my life working with sales, I do not sell homes, but though the sale is not of the same article, it does not change the that they are similar.

Did you think about the buyers' point of view if they didn't necessarily want to buy from a private individual? Especially young first-time home buyers, for example, prefer agents.

- After all, a condition check was done with a professional so we had that black and white, that everything has been checked and was in order. We did not try to select a buyer for it, the starting point was that it could be sold at the lowest possible cost. We had the criterion of not paying loads to agents as the home was not so valuable either.

That is, saving on the commission was the main reason for selling privately?

- Yes, that was the starting point to get it forward ourselves and we got help, as for the part with the law which was in the hands of professionals.

Had you estimated the price of the home yourself before the agents came to value it? Did you notice any difference in the valuations?

- There were no major differences, we had estimated it ourselves quite close to their price. After all, it is always a bit higher in your own assessment but pretty close it was estimated correctly.

And then did you have own interest and motivation to do this yourself. Did you already have information about the sales process or did you have to look for information on anything?

- Not really, I have sold two properties previously through agents. From there I have an idea of what is to be done, so I've seen agents, sellers, and the owner for this point of view. Two more valuable properties I didn't even try to sell myself.

Interesting. So, you sold this home privately also because it was less valuable?

- Yes, exactly.

Do you have confidence in agents that they know their job and do it properly?

- Yes, I have not been disappointed with these two homes that were sold with them. I have nothing bad to say about them and their work. I don't think that in Vaasa brokers can do anything immoral, like deliberately underestimate a home in order to sell it faster, but let's say in southern Finland, the bigger cities, there can exist any kinds of agents. Almost every day you get to read about a home with mold that has been sold and the agent has just praised that good home.

So, you probably didn't get any problems during the sale when you also used an agent and a bank to help you?

- Yeah, there wasn't. That being said, this first buyer who came to see the home, they immediately bought it. They weren't buying anything random, just this particular home. Crazy luck. There was a one-week interval from when the decision was made (for the buyer) and the money was in our account.

Now looking after at the sales, is there anything you think you could have done differently? ...

- No, not really. ...

Thanks a lot, this seems to be it, if you have nothing else to add.

- Yeah, I do not. Thank you and good luck!

Transcript of Interview no. 4

Hi, Bettina Knuts here. ... I am a student of Vaasa University of Applied Sciences and I am writing my thesis at the moment about the private sale of homes in Vaasa. In September last year, I have looked online for homes that seemed to be privately for sale and your name came up, is this is correct?

- Yeah, it has been, though it is no more.

Alright, that doesn't hurt at all if it isn't anymore. Would you be willing to answer some questions I have regarding this? This would take about 15 minutes, depending on how much you have to say.

- Yeah, will it be anonymous?

Yes, it will. I will not put any names anywhere and I also put very little information about the home in the thesis so that no one can in any way figure out whose home it was. If it is ok, I would like to record this discussion so that I can then write down the main things that we discuss. If ok, I will record our conversation also, just so I can write about the main things later, is this ok?

- All right, that is ok, ask away.

Thank you! Did you sell yourself throughout the process or did you use the help of a real estate agent at any point?

- In fact, my acquaintance is an agent, they were involved to some extent. But it was not officially for sale with their company.

What kind of things did he help you with?

- With photography, styling matters, etc., these things were ordered from them.

Did they also do a price assessment or did you do it yourself?

- It was known on both sides quite well what it would be, so basically no. We knew what we wanted to get for the home, so.

Was it certain already in the beginning that you were going to sell privately and not with an agent?

- Yes, it was. We wanted to test if it would go for sale or not. We had no hurry to sell it, however, it has not been sold yet either, it is currently being rented out.

Did you look and if so, where, for information on the sales process and how everything should go?

- No, in fact we have sold in the past privately also, it was not necessary to find out.

Did you consider the buyers possible opinions about private sales and if they would rather buy from an agent?

- We did not really mind at all.

What were the most compelling reasons to sell alone and not with an agent?

- Saving on the commission. It did not occur to us that the agents could estimate and sell the home with a lower price than the seller wants, because in the end the sellers themselves decide that.

Was there personal interest and motivation to do this yourself?

- Yeah, yes, because there was no rush to get it sold, I was able to do it myself. If there was someone interested then it would have been sold. As we have previously sold privately we had knowledge of the process and what needs to be done.

Would you say you trust agents to do their job properly and honestly? Do you have any opinion on this?

- At least we have not thought about this, but I understand that some people think this way. I have never had bad experiences with agents. After all, agents also have obligations that need to be met, so at least their work should be honest.

Do you have loved ones who have sold without an agent, what kind of experiences have they had?

- Yes, the experiences have been good for them too, there have been no bigger problems. As we weren't in a hurry to get it sold either and we were able to rent the home, we could easily try to see if there was interest and at the same time save (commission).

Did you market your home in many different places, at least I found this on Findit? Were there any others?

- On social media, on Facebook, at least I think it was, but not elsewhere. We advertised on these free platforms. Not on Etuovi for example, if I remember correctly.

Then the other questions I have are more related to the after sales time. Would you have anything to add at this point?

- Yeah, I guess there's nothing else. After the summer, we will put it out for sale again when tenants move so we will see then what happens.

That's great, hopefully you find a buyer then!

- Thank you! ...