

Consumer Behavior Characteristics and Cultural Aspects in Marketing Israel's Public Housing

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Abstract: The paper explores consumer behavior characteristics and cultural patterns in Israel's public housing market, focusing on the tenants' exercise of their purchase rights. Public housing is a social safety net and a fundamental right for disadvantaged populations, providing shelter and the potential for social and economic mobility. Although the Public Housing Law in Israel was intended to enable eligible tenants to purchase their apartments at a significant discount to help them break out of the poverty cycle, in practice, many fail to exercise this right. The study's significance lies in its analysis of purchasing barriers through cultural and behavioral lenses, with a view to empowering vulnerable populations to exercise their rights. The quantitative research sought to examine relationships between public housing consumer characteristics and purchasing intentions. The findings indicate a market failure characterized by a gap between legislative intent and reality. While Socio-demographic variables did not constitute a significant barrier to consumer behavior, a correlation was found between literacy gaps, the absence of external professional and financial guidance, and the reluctance to initiate the purchasing process. The study found that to motivate purchasing intentions, government representatives must integrate cultural competence, proactive information, accessibility, and tailored support systems into the process.

Keywords: Public housing, consumer behavior, purchase rights, supply and demand, cultural competence

JEL Classification: R21, D12, R38

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INTRODUCTION AND LITERATURE REVIEW

Consumer behavior is a fundamental aspect of human life, encompassing the processes by which people seek, acquire, use, evaluate, and dispose of products, services, ideas, and experiences to satisfy their needs and wants. It reflects both the mental and physical activities of consumers and decision-making units, including households and groups, as they allocate available resources such as time, money, and effort to consumption-related activities (Walters, 1974; Schiffman and Kanuk, 1997; Ling, 2015). Consumer behavior involves understanding what consumers buy, why they buy it, when and where purchases occur, how often products are used, and the factors that influence these decisions. According to Schiffman and Kanuk (1997), consumer behavior consists of all activities related to obtaining, using, and disposing of products and services that are expected to satisfy consumer needs. Ling (2015) further emphasizes that consumer behavior includes both the activities involved in consumption and the individuals or groups involved in these processes.

Within the Israeli context, housing represents a basic social right. Therefore, the state provides subsidized public housing to residents who meet specific eligibility criteria based on income, age, disability, and family size. New immigrants are also eligible for public housing assistance for a period of 10-15 years after immigration. The primary goal of public housing policy is to protect vulnerable populations and provide affordable housing opportunities to people who are unable to secure housing in the private market (Zamir, Ben Ezra, and Kahlehi, 2019). Therefore, public housing serves as a central component of Israel's welfare and social protection system.

Historically, after the establishment of the state in 1948, Israel adopted a social-democratic approach whereby public housing constituted approximately 60% of the national housing stock, making it accessible to a broad segment of the population. However, over time, Israel transitioned to a neoliberal and global capitalist economy. As a result, the role of public housing has significantly diminished, falling to approximately 1.9%-2.5% of the housing stock by 2018, with reduced accessibility particularly affecting disadvantaged populations (Hananal, 2020; Gildin, 2018; Shahak, 2021). At the same time, the waiting list for public housing has grown significantly, with a reported 63% increase in applicants waiting for their first public housing apartment within five years (Zamir, Ben Ezra, & Kahli, 2019).

A major reason for the decline in public housing stock was the sale of apartments to eligible tenants. Between 1999 and 2012, the Ministry of Construction and Housing sold approximately 30,000 public housing apartments as part of government programs to encourage rental ownership (State Comptroller's Report, 2024). The Public Housing (Purchase Rights) Law (1998), grants tenants who have lived in public housing for at least five years the right to purchase their apartments at highly subsidized prices. The discount rate is determined according to family size and length of residence and can reach up to 90% of the apartment's market value, up to approximately 1.1 million NIS (State Comptroller's Report, 2024). The law is intended to reduce poverty, encourage economic stability, and transfer assets to disadvantaged families, thereby helping them escape cycles of poverty and build long-term security.

Despite these benefits, many eligible tenants do not exercise their right to purchase apartments in public housing. Existing research has not adequately examined why some tenants refuse or refrain from purchasing their homes despite significant economic incentives. Since housing is considered a basic human right, understanding tenants' consumer behavior and the cultural, economic, and social factors that influence decision-making is essential. Therefore, this study seeks to examine how cultural characteristics and communication gaps shape purchasing decisions among eligible public housing tenants.

Culture plays a central role in shaping individual behavior and perceptions. It consists of values, norms, beliefs, conventions, and systems of meaning through which people interpret reality and manage their lives (Yona, 2005; Yona and Shenhav, 2005). Culture influences behavior through group affiliation and shared values, and offers people cognitive and emotional tools to understand society and their place within it. Ethnic and cultural identities shape self-perception, social affiliation, attitudes, and shared values (Mautner, Sagi, and Shamir, 1998).

Israeli society is characterized by extensive multiculturalism and multilingualism. It includes diverse Jewish communities such as Ashkenazi, Mizrahi, and Russian-speaking populations, as well as Arab groups, including Muslims, Christians, and Druze, alongside immigrant and migrant communities (Tenenbaum, 2009). Although multiculturalism contributes to social diversity and richness, it also creates social inequalities, communication barriers, and political tensions. As a result, cultural competence and sensitivity are considered essential tools for bridging social gaps and improving communication between institutions

and citizens. Cultural competence refers to the awareness, knowledge, and practical skills that professionals and organizations develop to effectively serve people from diverse cultural backgrounds (Lum, 1999). It involves integrating multicultural values, organizational policies, and professional approaches that support equitable and culturally appropriate services (Fong and Furuto, 2001). Mirsky (1996) identifies three components of culturally sensitive communication. The first involves self-awareness among representatives regarding their own prejudices, values, and assumptions. The second concerns understanding the resident's worldview and cultural expectations. The third refers to the ability to communicate effectively while respecting cultural differences and responding appropriately to the resident's needs.

Research shows that supportive relationships, trust, and social support significantly influence successful communication and decision-making processes (Soroka, 2008; Yitzhak and Ellenbogen-Frankovich, 2017). Effective communication helps tenant representatives identify tenants' concerns, hesitations, and challenges throughout the apartment-buying process. Soroka (2008) emphasizes factors such as honesty, warmth, freedom of choice, trust, caring, and attentiveness as critical to fostering confidence in decision-making. Asael (2012) similarly argues that cultural competence requires maintaining immigrants' personal and cultural identities while promoting dialogue between different cultural perspectives. Therefore, professionals must adapt their communication styles according to the cultural needs of tenants.

Culturally sensitive communication depends largely on understanding the residents' languages, social norms, values, and cultural codes (Isaac and Ellenbogen-Frankovich, 2017; Gelbard and McConnell, 2019). Preserving cultural identity and incorporating cultural knowledge into communication are essential for building trust and ensuring effective service delivery. This issue is especially important because approximately one-third of public housing tenants in Israel are immigrants. Immigration is a complex process that involves geographic transition as well as social, cultural, economic, and psychological adaptation (Haim, 2013). Immigrants must acquire new language skills, adapt to unfamiliar social systems, understand new norms and values, integrate into the labor market, and deal with emotional and psychological transitions (Ben-David, Aviad, and Levy, 2014).

Successful integration into Israeli society relies heavily on communication and social participation. Communication facilitates integration into

communities and allows immigrants to form meaningful social connections. However, despite the importance of language accessibility, many public housing eligibility letters and official notices are issued only in Hebrew, which many immigrants do not fully understand. As a result, language barriers can prevent eligible tenants from understanding their rights or navigating the housing purchase process effectively. Consumer behavior, as defined by Ling (2015), reflects the actions and decisions that consumers take throughout the decision-making process. Therefore, poor communication and cultural gaps directly impact tenants' realization of their purchasing rights.

In addition to cultural and linguistic barriers, economic constraints also influence renters' purchasing decisions. Renters seeking mortgages must meet conditions set by the Bank of Israel and financial institutions. Banks may reject applications due to low income, unstable employment, poor credit history, advanced age, limited work experience, or legal and bureaucratic issues related to the property itself. Because public housing tenants often belong to economically disadvantaged populations and are dependent on welfare or old-age benefits, many face significant challenges in obtaining financing. According to Shipman and Knok (1997), consumer behavior is shaped by the resources available to consumers, including money, time, and personal circumstances. As a result, lack of financial resources and age-related barriers can prevent eligible renters from purchasing their apartments even when significant discounts are available.

The physical condition and location of public housing units also influence consumer decisions. Many public housing units are old, poorly maintained, small in size, located in remote areas, and lack essential accessibility measures such as elevators for elderly residents (Hananal, 2017). Therefore, potential buyers may perceive these apartments as unattractive investments despite the discounted purchase prices. In addition, many tenants face practical difficulties such as limited Hebrew literacy, inadequate access to professional guidance and legal advice, difficulties in obtaining a mortgage, and an inability to finance the required equity payments.

Therefore, the research assumption is that independent variables such as age, socioeconomic status, communication skills, and innate cultural gaps are associated with consumer behavior and prevent suitable tenants from exercising their right to purchase a house from the state. Namely, the study set out to check the hypothesis that a relationship exists between customer characteristics, i.e., cultural and language gaps, limited access to

accurate information about public housing, and the limited demand for public housing in Israel.

METHODS

The study focuses on identifying cultural perspectives and cultural behavioral nuances by collecting and analyzing culture-specific information about public housing in Israel. It aims to quantify attitudes to determine whether cultural characteristics are associated with purchase intentions.

A closed-ended questionnaire was developed to investigate tenants' consumer behavior and the equilibrium of the housing market, to explore the reasons public housing residents purchase or relinquish their apartments. The validated quantitative questionnaire was distributed via Facebook and WhatsApp to 100 residents of public housing across the State of Israel (north, center, and south). All recipients responded (12 males, 87 females; 1 respondent did not specify gender). The sample exhibits a significant gender skew, with 87% of female respondents. Consequently, a comparative analysis across all indices was conducted to identify potential gender-based differences.

The study used descriptive statistics, analyses of differences (independent t-test & one-way ANOVA), correlations, and crosstabulation/Chi-Square Test. Multivariate methods facilitated the analysis and understanding of the relationships among age, socioeconomic status, communication skills, innate cultural gaps, and consumer behavior.

FINDINGS

As noted, the questionnaire was sent to 100 residents of public housing in Israel. Table 1 presents the demographic data.

As shown in Table 1, the respondents' ages vary: 19 are 20-39, 58 are 40-54, and 23 are 55 and above. The demographic characteristics of the respondents were as follows: 90 residents were born in Israel and spoke Hebrew as their native language. The residents' level of education ranges from elementary (17 people) to secondary (67). Only 15 respondents reported having an academic degree. Fifty-four (54) respondents live in one or two-bedroom apartments, while 46 live in houses with three or more rooms. According to the analysis, the number of people living in the apartment is 1 (14 people), 2-3 (34 people), 4-5 (30 people), and 6 or more (22 people). The marital status of the interviewees is single (21), married (23), widowed (6), and divorced (46).

As stated by the respondents, the primary source of income for 63 people is a National Insurance payment or a pension/disability, and 33 specified it is from a salary. Their average income ranges from approximately 4,000 to 8,000 shekels; specifically, 4,000 NIS (20 people), 4,000-6,000 NIS (31), 6,000-8,000 NIS (27), and 8,000 NIS and above (21). Seventy (70) people attested that they suffer from medical disabilities. When asked about their tenure in public housing, 18 respondents reported 0-5 years, 27 reported 6-10 years, 20 reported 11-20 years, and 33 reported 21 years or more.

The demographic data indicate that public housing tenants live in disadvantaged conditions. Their median household income is lower than the average income. Considering the number of elderly households, single-parent households, and households with disabilities, it is not surprising that only 33 people reported income from wages. The data on education signify limited economic opportunities.

A significant aspect of the sample is its gender composition. According to data from the Ministry of Construction and Housing, approximately 70% of public housing tenants are women and 30% are men. Correspondingly, the sample in the current study is skewed toward women: 87% of questionnaire respondents are women and 13% are men (one respondent did not specify their gender). In light of this disparity between female and male representation within the sample, the study analyzed gender differences across the study measures. The results are presented in Table 2.

Research hypothesis: A relationship exists between customer characteristics (i.e., cultural and language gaps, age, socioeconomic status, and limited access to accurate information about public housing) and the interest in purchasing an apartment.

The research hypothesis was that a relationship exists between customer behavior characteristics (knowledge and understanding of rights, communication with government representatives, being born in Israel, receiving advice from foreign entities, native Hebrew) and the interest in purchasing an apartment, and that there is a connection between customer behavior characteristics (knowledge and understanding of rights, communication with government representatives, etc.) and orientation in the apartment purchasing process. Hence, the study defined the dependent variable as the level of demand for public housing in Israel (i.e., interest in purchasing the apartment or in the process of purchasing), and the independent variable as

customer characteristics (e.g., knowledge and understanding of rights, country of origin, native language, communication with government representatives, and external consultation). To test the hypothesis, a crosstabulation analysis was performed, including a chi-square test of the relationship between customer behavior characteristics and demand. Table 3a-j and Figure 1 present the analysis results.

Table 3a presents the statistical results from testing the relationship between residents' interest in purchasing the apartment and the *customer characteristic "knowledge and understanding of rights"* (hypothesis H1a).

The study results found a statistically significant association between respondents' knowledge/understanding of rights and their interest in purchasing the apartment ($\chi^2 = 4.994$, $p = 0.025$). Namely, respondents who understand their rights are much more likely to be interested in buying the apartment. Nevertheless, the effect size is small to moderate, and the cell counts are uneven.

Among respondents who **understand their rights**, **83.3%** are interested in purchasing the apartment, versus **37.2%** among those who do not understand their rights — a large relative difference that drives the association.

- **Significance:** The reported $\chi^2 = 4.994$ with $p = 0.025$ indicates a statistically significant association between *knowledge/understanding of rights* and *interest in purchasing*.

- **Effect size:** Cramer's $V = 0.223$ signals a **small-to-moderate** association in practical terms for a 2×2 contingency table; it is not a large effect but is meaningful in applied settings.

Table 3b presents the statistical results from testing the relationship between the resident's level of active engagement in the apartment purchase process and the *customer characteristic "knowledge and understanding of rights"* (hypothesis H1b).

The results indicate a statistically significant, moderate association between being *in the process of purchasing the apartment* and having *knowledge/understanding of rights* ($\chi^2 = 8.178$, $p = 0.004$; Cramer's $V = 0.286$). That is, respondents who understand their rights are substantially more likely to be actively involved in the purchase process.

The table shows that **55.0%** of respondents with knowledge/understanding of rights are in the process of purchasing. In contrast, only **29.0%** of those without such knowledge are in the process (column breakdown: 57.9% vs 42.1% by row/column totals). This directional difference explains the significant χ^2 .

- **Effect size:** Cramer's $V = 0.286$ indicates a **moderate** association in applied social-research terms for a 2×2 contingency table; it is not trivial and suggests a meaningful relationship beyond mere statistical significance.

Table 3c presents the statistical results from testing the relationship between the resident's interest in purchasing the apartment and the *customer characteristic "communication with government representatives"* (hypothesis H1c).

The results indicate **no statistically significant association** between *interest in purchasing the apartment* and *communication with government representatives* ($\chi^2 = 0.209$, $p = 0.647$); the observed relationship is negligible in magnitude (Cramer's $V = 0.046$). The data provide no evidence that communicating with government representatives is associated with interest in purchasing.

- **Effect size:** Cramer's $V = 0.046$ indicates a **negligible** association; even if the sample were larger, this effect would be practically unimportant.

- **Counts and reliability:** Only **6** respondents reported communicating with government representatives (cell counts 5 and 1), so several expected cell counts are small; this **weakens the reliability** of the Pearson chi-square approximation.

Table 3d presents the statistical results from testing the relationship between the resident's level of active engagement in the apartment purchase process and the *customer characteristic "communication with government representatives"* (hypothesis H1d).

The data indicate that there is **no statistically significant association** between being in the process of purchasing the apartment and communication with government representatives ($\chi^2 = 0.292$, $p = 0.589$); the association is negligible (Cramer's $V = 0.054$).

$\chi^2 = 0.292$ with $p = 0.589$ **fails to reject** the null hypothesis at conventional α levels (e.g., 0.05). The observed distribution is consistent with random variation under independence.

- **Effect size:** Cramer's $V = 0.054$ indicates a **negligible** association in practical terms for a 2×2 table; even if the sample were larger, this effect would likely be of little substantive importance.

- **Direction of raw percentages:** The proportion of respondents who communicate with government representatives is similar across the two groups (37.1% among those not in process vs 45.5% among those in process). The small absolute difference is not statistically meaningful.

Table 3e presents the statistical results from testing the relationship between the resident's interest in

purchasing the apartment and the *customer characteristic “being a native Israeli”* (hypothesis H1e).

The results imply that **there is no statistically significant association** between *interest in purchasing the apartment* and *being a native Israeli* ($\chi^2 = 0.444$, $p = 0.505$). Cramer’s $V = 0.067$ indicates a **negligible** effect size.

In the study’s sample, being a native Israeli is **not associated** with greater or lesser interest in purchasing the apartment. The proportions of interest are similar across the two groups (94.4% vs 88.9% in the rows), and the small differences are not statistically meaningful.

$\chi^2(1) = 0.444$, $p = 0.505$ **fails to reject** independence at conventional α levels. The observed distribution is consistent with chance variation under independence.

- **Effect size: Cramer’s $V = 0.067$** is very small; even if the sample were larger, the association would likely be of little practical importance.

- **Assumptions and reliability:** the *native Israeli* column has only 6 respondents, producing expected counts below 5 in at least one cell (e.g., expected count for Not interested & Native ≈ 0.55). This datum **violates the usual chi-square assumption** about expected cell sizes and reduces the reliability of the Pearson χ^2 approximation.

Table 3f presents the statistical results from testing the relationship between the resident’s level of active engagement in the apartment purchase process and the *customer characteristic “being a native Israeli”* (hypothesis H1f).

The values indicate that being a native Israeli was **not** significantly associated with active engagement in the purchase process. **No statistically significant association** was found between the *level of active engagement in the purchase process* and *being a native Israeli* at conventional significance levels, and the observed association is small. A chi-square test of independence found no significant association between being in the process of purchasing the apartment and native Israeli status (Chi-square = 1.398, $p = 0.237$, Cramer’s $V = 0.119$).

The raw percentages show a slightly higher share of *in-process* respondents among non-natives (93.5% vs 86.5%), but the difference is small and not statistically significant.

Table 3g presents the statistical results from testing the relationship between the resident’s interest in purchasing the apartment and the *customer characteristic “using an external consultant”* (hypothesis H1g).

The statistical output in **Table 3g** allows us to explore the relationship between a respondent’s interest in purchasing an apartment and whether they use an external consultant. The results indicate a **statistically significant and strong association** between these two variables, as follows:

Descriptive statistics show a clear divide in behavior based on purchasing intent. Consultant usage by Interest of purchasing: Among those with no interest in purchasing, almost no one (**98.8%**) used a consultant. Conversely, while still a minority, a much higher proportion of those interested in purchasing (**26.3%**) sought external advice and used a consultant. The most striking figure is among those who used a consultant: **83.3%** expressed interest in purchasing the apartment. In contrast, only **14.9%** of those who did not use a consultant were interested in purchasing.

Statistical Significance: To determine whether this relationship occurred by chance, we examine the Chi-square test results: Chi-square = 17.166 and p-value = 0.000. Because the p-value is less than 0.05 (and even less than 0.001), we can conclude that the relationship is statistically significant. It is highly unlikely that the link between consulting use and purchase interest is due to random variation.

Strength of Association: While the Chi-square (17.166, significant at 0.000) tells us that a relationship exists, **Cramer’s V of 0.414** (higher than 0.4) indicates a **relatively strong association**. This association suggests that knowing whether someone used a consultant is a fairly good predictor of their interest in buying. Therefore, the statistical analysis suggests that using an external consultant is a strong indicator of a serious intent to purchase.

Table 3h presents the statistical results from testing the relationship between the resident’s level of active engagement in the apartment purchase process and the *customer characteristic “use of an external consultant”* (hypothesis H1h).

The statistical output of **Table 3h** reports the analysis of the relationship between being in the active process of purchasing an apartment and the decision to use an external consultant. **Descriptive statistics** in Table 3h show how external consultation varies depending on where a resident is in the purchasing process, as follows:

- **Consultant Usage by Process Stage:** Among those **not** in the process of purchasing, only 33.3% used a consultant. However, for those actively in the process, a majority (57.9%) used external consultation.

- **Process Stage by Consultant Usage: 28.9% did**

use a consultant, but only **12.9% did not** use a consultant from the group of those already actively engaged in the process of purchasing. **Statistical Significance:** Chi-square (3.941) and its p-value ($0.047 < 0.5$ threshold for significance) indicate that the relationship is statistically significant, suggesting that we can be 95% confident the relationship isn't random, though the margin is slim. **Strength of Association:** Despite being statistically significant, the strength of the relationship (Cramer's $V = 0.199$) is relatively low. Cramer's V of 0.199, slightly under 0.2, indicates rather a weak association than a moderate one (Cramer's V between 0.2 and 0.4).

Therefore, the results reported in Table 3g indicate a statistically significant trend: those in the process of buying an apartment are more likely to seek expert advice and use a consultant (Chi-square = 3.941, $p < 0.5$).

The corroboration of results reported in Table 3h (Chi-square = 3.941, $p < 0.5$, Cramer's $V = 0.199$ for the relationship between being in the active process of purchasing an apartment and the use of an external consultant) and Table 3g (Chi-square = 17.166, $p < 0.001$, Cramer's $V = 0.414$ for the strong relationship between the interest in buying and using a consultant), suggests that using an external consultant is a strong indicator of a serious intent to purchase and people mostly seek the use of an external consultant advise before active engagement in the purchasing process.

Table 3i presents the statistical results from testing the relationship between the resident's interest in purchasing the apartment and the *customer characteristic "speaking the native language"* (hypothesis H1i).

The analysis reported in **Table 3i** examines whether a respondent's native language is associated with their **interest in purchasing the apartment**. **Descriptive statistics show that** the distribution of interest remains largely similar regardless of the respondent's mother tongue:

Interest by Native Language: Among those whose native language was the majority/reference category, **94.5%** had no interest in purchasing. For those in the other native language category, **87.5%** had no interest.

Purchase Interest: Only **7.5%** of the first-language group and 16.7% of the second-language group expressed interest in purchasing.

Composition: The vast majority of the total sample—**93 out of 99** respondents—belong to a single native language group.

Statistical Significance: The Chi-square test is used to determine if the slight differences in percentages are meaningful or just random noise. **Chi-square =**

0.634, $p = 0.426$ (much higher than the standard 0.05 threshold for significance), indicating that the result is **not statistically significant**. Since the result is not significant, the strength of the association is very low (**Cramer's $V = 0.080$**), indicating a **non-existent association**.

In practical terms, knowing a resident's native language provides almost no useful information for predicting whether they want to buy the apartment. There is no evidence that the native language influences interest in purchasing the apartment. The groups behave very similarly, and the small sample size in the second-language group further reinforces the lack of a reliable trend.

Table 3j presents the statistical results from testing the relationship between the resident's level of active engagement in the apartment purchase process and the *customer characteristic "speaking the native language"* (hypothesis H1j).

The results imply there is no statistically significant association between being *in the process of purchasing the apartment* and the respondent's **native language (mother tongue)** ($\chi^2 = 2.348$, $p = 0.125$). The observed association is small (Cramer's $V = 0.154$), and the subgroup of respondents currently in the purchase process is very small.

A larger *proportion* of respondents whose mother tongue is **Hebrew** are in the purchase process (62.5% of the small in-process row) than those whose mother tongue is **not Hebrew** (37.5%). However, this apparent difference **does not reach statistical significance** ($p = 0.125$).

$\chi^2(1) = 2.348$, $p = 0.125$ **fails to reject** independence at $\alpha = 0.05$, and does not provide strong evidence of an association. **Cramer's $V = 0.154$** indicates a **small** association. However, it is not large enough to be decisive in practice.

The statistical analysis indicates that knowledge and understanding of rights, as well as the use of an external consultant, significantly correlate with interest in purchasing the apartment and the purchasing process. The other three variables (i.e., native language, born in Israel, and communication with government representatives) do not show significant correlations, and this holds for both dependent variables. A closer examination of the first two tables reveals that among those who are unaware of their rights, more than 60% (62.8%) are not interested in purchasing the apartment. Among those who are aware of their rights, 83.3% are interested in purchasing their apartment. A reverse examination also indicates the same tendency. Almost 100% (98.7%) of those who are not interested in buying the house are unaware of their rights, whereas among those who are interested in purchasing the apartment, 12.5% are aware of their

rights. Hence, there is a clear connection between the two variables, namely, knowledge and understanding of rights and an interest in purchasing. This trend is also evident in the relationship between knowledge and understanding of rights and the purchasing process, as shown in the second table. The variable of using an external consultant was also found to be related to both an interest in purchasing the apartment and the purchasing process, as shown in Tables 3g and h. In contrast, as evident from the results in the other tables, there is no connection between the consumer variables and behavior. Hence, the hypothesis was partially confirmed.

In summary, the results indicate that public housing residents face difficulties in the house-buying process due to limited awareness of their rights and limited communication with formal representatives or external consultants. Additionally, customer characteristics, such as being born in Israel or having a native language other than Hebrew, Israel's official language, do not significantly correlate with demand for public housing. Nevertheless, the lack of significance for language and origin might stem from the sample's homogeneity (90% of the sample were born in Israel, and 91% were Hebrew speakers), which may have obscured the significant role of culture in purchase intent.

The results highlight the importance of behavioral and informational mechanisms. Specifically, knowledge and understanding of tenants' rights, as well as the use of external assistance (e.g., external advisors), are associated with greater interest in purchasing and participation in purchase-related processes. By contrast, several background characteristics, such as language and nativity status, as measured in this study, do not appear to explain meaningful differences in purchase interest. This pattern suggests that purchase-related behavior is driven less by "who the tenant is" in demographic or cultural terms, but more by "what the tenant can do" in practical terms, namely, the ability to access information, understand rights, and navigate complex administrative procedures.

DISCUSSION

Within the context of public housing, consumer behavior refers to the ways in which eligible tenants search for, evaluate, purchase, and utilize housing opportunities. According to Ling (2015), consumer behavior explains why and how people decide when, where, and from whom to purchase goods and services. Purchasing decisions are shaped by multiple influences, including culture, social class, family, personality, psychological factors, age, and

lifestyle (Rani, 2014). These same factors influence public housing tenants who are considering whether to purchase their apartments from the government. Initially, the study hypothesized that language and cultural barriers would deter eligible tenants from exercising their purchasing rights. This expectation was based on the demographic reality that approximately one-third of public housing residents in Israel are immigrants from countries such as Russia, Ethiopia, and France, many of whom do not fully master Hebrew. Since integration into Israeli society is often a long process, effective communication is considered essential for social inclusion and participation.

However, the findings contradicted these expectations. The lack of significance attributed to language and place of birth may be related to a policy change introduced after an audit by the State Comptroller (2020). In response, the Ministry of Construction and Housing began translating eligibility letters into several languages, including English, Arabic, Amharic, French, and Russian, and ensured personal delivery of these letters through housing coordinators (Ministry of Construction and Housing, 2025). This policy likely reduced the impact of language barriers by making information more accessible to non-native Hebrew speakers.

Therefore, the study suggests that communication and cultural accessibility are still very important, but their effects can be mitigated when institutions adapt services to the needs of residents. Improved accessibility may explain why variables such as language and communication no longer serve as major barriers. More broadly, the findings show that communication skills, cultural awareness, and accessible information can significantly shape consumer behavior and influence home purchasing decisions.

Israel's multicultural social structure provides an important backdrop for this discussion. Israeli society includes Jewish and Arab communities alongside immigrant populations, and is often described as a "mosaic" rather than a melting pot (Tanenbaum, 2009). While multiculturalism contributes to diversity, it can also deepen social and political divisions. As a result, cultural competence and sensitivity are essential for improving communication and reducing inequality. The ministry's policy changes reflect broader efforts in Israeli society to foster respect and effective interaction between diverse groups while recognizing enduring cultural differences (Shapiro et al., 2023).

The study also examines the broader concept of culture. Cultural groups share conscious and unconscious characteristics such as values, lifestyles, and traditions that distinguish them from

others. Contemporary understandings of culture expand beyond ethnicity to include categories such as gender, profession, and age. Cultural competence is thus defined as the combination of awareness, knowledge, and skills that professionals develop to provide effective services across cultural differences (Lum, 1999). It also includes institutional values, policies, and professional approaches that support multicultural work (Fong and Foruto, 2001). Researchers emphasize that familiarity with the client's cultural background improves trust and communication (Isaac and Allenbogen-Frankovich, 2017). Effective cultural competence requires preserving and respecting each person's cultural identity while adapting professional approaches to the client's needs (Asael, 2012). In practice, this means understanding minority cultures, recognizing cultural norms, and using cultural knowledge to facilitate dialogue and improve service delivery. The article identifies four important dimensions of cultural competence training: increasing awareness of diversity, expanding knowledge of client cultures, strengthening theoretical understanding of intercultural working, and improving practical cultural skills (Kowalski, 2023). Such competence depends largely on understanding language, social norms, and cultural codes (Isaac and Allenbogen-Frankovich, 2017; Galbard and Makonnen, 2019). Accordingly, government representatives working with public housing tenants need to demonstrate awareness, cultural familiarity, and language proficiency in order to encourage tenants to participate in the purchasing process. Purchasing a home is considered a significant economic decision and typically follows a traditional cognitive decision-making process. Consumers typically identify a need, search for information, evaluate alternatives, make a purchase decision, and later evaluate the outcome (Erasmus, Boschoff, & Russo, 2001). Thus, the findings are consistent with conventional consumer behavior theory that tenants who better understood their rights and received assistance from lawyers or advisors felt more confident in navigating bureaucratic complexities and were, as a result, more likely to consider purchasing. The study highlights the importance of knowledge and informed decision-making. Tenants who clearly understood the eligibility requirements and benefits were more likely to exercise their rights. The Ministry of Construction and Housing's multilingual communication strategy and customized outreach efforts appear to have improved access to information and reduced language-related barriers (Ministry of Construction and Housing, 2025). While this may have weakened the statistical significance of the language variables,

it also demonstrates how communication and cultural adaptation can positively influence consumer behavior.

CONCLUSIONS

Overall, the findings suggest that communication skills, cultural accessibility, socio-economic conditions, financing options, awareness of rights and access to advice all influence renters' purchasing decisions. Knowledge and external guidance encourage interest in purchasing, while financial barriers and lack of awareness remain major obstacles. The study therefore concludes that if the state increases awareness of purchase rights and provides financial guidance and support tools, renters are more likely to exercise their rights. The study also acknowledges several limitations. The sample consisted of 100 participants, which limits demographic diversity and the inclusion of a broader range of housing units. Most respondents were native-born Israelis, meaning that immigrants who make up a significant portion of eligible tenants were underrepresented. In addition, the data were collected during a period characterized by legislative uncertainty, political instability and war, factors that may have influenced respondents' attitudes and levels of pessimism. Finally, the study recommends expanding future research to include larger, more representative populations. It also calls for a deeper examination of the broader implications of renewing the Public Housing Law. While extending the law may increase homeownership opportunities, policymakers should also address the ongoing decline in public housing stock in Israel and assess whether continued apartment sales could further reduce the availability of affordable public housing in the future.

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LIST OF TABLES

Table 1.
Respondents' demographic data

Characteristic	Data
Age	19 (age 20-39)
	58 (age 40-54)
	23 (age 55 and above)
Country of origin	90 (Israel)
	10 (Other)
Native language (mother tongue)	91 (Hebrew)
	9 (Other)
Level of education	17 (Elementary)
	67 (Secondary)
	15 (Degree)
Number of rooms	54 (1-2 bedroom)
	46 (3 or more)
The number of people residing in the apartment	14 (1)
	34 (2-3)
	30 (4-5)
	22 (Six or more)
Marital status	21 (Single)
	23 (Married)
	6 (Widowed)
	46 (Divorced)
Primary income	63 (Pensions)
	33 (Salary)
Average income	20 (4,000 NIS)
	31 (4,000-6,000 NIS)
	27 (6,000-8,000 NIS)
	21 (8,000 NIS and above)
Tenure in public housing	18 (0-5 years)
	27 (6-10 years)
	20 (11-20 years)
	33 (21 years or more)
Medical disabilities	70 (Yes)
	30 (No)

Source: Author's own research

Table 2.

An analysis of gender differences across the study measures.

	Male		Female		t	Sig.
	Average	Standard Deviation	Average	Standard Deviation		
Public Housing Satisfaction: General	3.36	1.13	2.62	0.95	2.48	0.015
Public Housing Satisfaction: physical aspects of the building and apartment	3.42	1.07	2.67	1.00	2.42	0.017
Public Housing Satisfaction: Personnel aspect of the interaction with public housing representatives	3.25	1.37	2.53	1.24	1.87	0.065
No. of Purchase Reasons	1.33	0.49	1.34	0.57	-0.07	0.947
No. of Non-Purchase Reasons	2.33	1.78	2.32	1.84	0.02	0.984
Reasons for Apartment Purchase	1.38	0.53	1.31	0.70	0.36	0.721
Reasons for Apartment Non-Purchase	0.86	1.25	0.38	1.01	1.50	0.138

Table 3a.

The relationship between interest in purchasing the apartment and knowledge and understanding of rights.

Interest in purchasing the apartment	Knowledge and understanding of rights		
	No	Yes	Sum
No	98.3%	1.7%	100.0% (60)
Yes	87.5%	12.5%	100.0% (40)
Sum	-	-	-
No	62.8%	16.7%	-
Yes	37.2%	83.3%	-
Sum	100.0% (94)	100.0% (6)	-

Numbers in brackets indicate the total number of respondents in each category.

Chi-square	Cramer	Significance
4.994	0.223	0.025

Source: Author's own research

Table 3b. T

he relationship between residents in the process of purchasing the apartment and their knowledge and understanding of rights.

In the process of purchasing the apartment	Knowledge and understanding of rights		
	No	Yes	Sum
No	73.3%	26.7%	100.0% (60)
Yes	45.0%	55.0%	100.0% (40)
Sum	-	-	-
No	71.0%	42.1%	-
Yes	29.0%	57.9%	-
Sum	100.0% (62)	100.0% (38)	-

Numbers in brackets indicate the total number of respondents in each category.

Chi-square	Cramer	Significance
8.178	0.286	0.004

Source: Author's own research

Table 3c.

The relationship between interest in purchasing the apartment and communication with government representatives.

Interest in purchasing the apartment	Communication with government representatives		
	No	Yes	Sum
No	94.4%	5.6%	100.0% (89)
Yes	90.9%	9.1%	100.0% (11)
Sum	-	-	-
No	89.4%	83.3%	-
Yes	10.6%	16.7%	-
Sum	100.0% (94)	100.0% (6)	-

Numbers in brackets indicate the total number of respondents in each category.

Chi-square	Cramer	Significance
0.209	0.046	0.647

Source: Author's own research

Table 3d.

The relationship between residents during the apartment purchase process and their communication with government representatives.

In the process of purchasing the apartment	Communication with government representatives		
	No	Yes	Sum
No	62.9%	37.1%	100.0% (89)
Yes	54.5%	45.5%	100.0% (11)
Sum	-	-	-
No	90.3%	86.8%	-
Yes	9.7%	13.2%	-
Sum	100.0% (62)	100.0% (38)	-

Numbers in brackets indicate the total number of respondents in each category.

Chi-square	Cramer	Significance
0.292	0.054	0.589

Source: Author's own research

Table 3e.

The relationship between interest in purchasing the apartment and being a native Israeli.

Interest in purchasing the apartment	Native Israeli		
	No	Yes	Sum
No	88.9%	11.1%	100.0% (9)
Yes	94.4%	5.6%	100.0% (90)
Sum	-	-	-
No	8.6%	16.7%	-
Yes	91.4%	83.3%	-

Sum	100.0% (93)	100.0% (6)	-
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Numbers in brackets indicate the total number of respondents in each category.

Chi-square	Cramer	Significance
0.444	0.067	0.505

Source: Author's own research

Table 3f.

The relationship between residents in the process of purchasing an apartment and those who are native Israelis.

In the process of purchasing the apartment	Native Israeli		
	No	Yes	Sum
No	44.4%	55.6%	100.0% (9)
Yes	64.4%	35.6%	100.0% (90)
Sum	-	-	-
No	6.5%	13.5%	-
Yes	93.5%	86.5%	-
Sum	100.0% (62)	100.0% (37)	-

Numbers in brackets indicate the total number of respondents in each category.

Chi-square	Cramer	Significance
1.398	0.119	0.237

Source: Author's own research

Table 3g.

The relationship between interest in purchasing the apartment and the use of an external consultant.

Interest in purchasing the apartment	External consultation		
	No	Yes	Sum
No	98.8%	1.2%	100.0% (81)
Yes	73.7%	26.3%	100.0% (19)
Sum	-	-	-
No	85.1%	16.7%	-
Yes	14.9%	83.3%	-
Sum	100.0% (94)	100.0% (6)	-

Numbers in brackets indicate the total number of respondents in each category.

Chi-square	Cramer	Significance
17.166	0.414	0.000

Source: Author's own research

Table 3h.

The relationship between residents in the process of purchasing an apartment and the use of an external consultant.

In the process of purchasing the apartment	External consultation		
	No	Yes	Sum
No	66.7%	33.3%	100.0% (81)
Yes	42.1%	57.9%	100.0% (19)
Sum	-	-	-
No	87.1%	71.1%	-

Yes	12.9%	28.9%	-
Sum	100.0% (62)	100.0% (38)	-

Numbers in brackets indicate the total number of respondents in each category.

Chi-square	Cramer	Significance
3.941	0.199	0.047

Source: Author's own research

Table 3i.

The relationship between interest in purchasing the apartment and native language.

Interest in purchasing the apartment	Native language (mother tongue)		
	No	Yes	Sum
No	94.5%	5.5%	100.0% (91)
Yes	87.5%	12.5%	100.0% (8)
Sum	-	-	-
No	92.5%	83.3%	-
Yes	7.5%	16.7%	-
Sum	100.0% (93)	100.0% (6)	-

Numbers in brackets indicate the total number of respondents in each category.

Chi-square	Cramer	Significance
0.634	0.080	0.426

Source: Author's own research

Table 3j.

The relationship between residents in the process of purchasing an apartment and their native language (mother tongue).

In the process of purchasing the apartment	Native language (mother tongue)		
	No	Yes	Sum
No	64.8%	35.2%	100.0% (91)
Yes	37.5%	62.5%	100.0% (8)
Sum	-	-	-
No	95.2%	86.5%	-
Yes	13.5%	4.8%	-
Sum	100.0% (62)	100.0% (37)	-

Numbers in brackets indicate the total number of respondents in each category.

Chi-square	Cramer	Significance
2.348	0.154	0.125

Source: Author's own research

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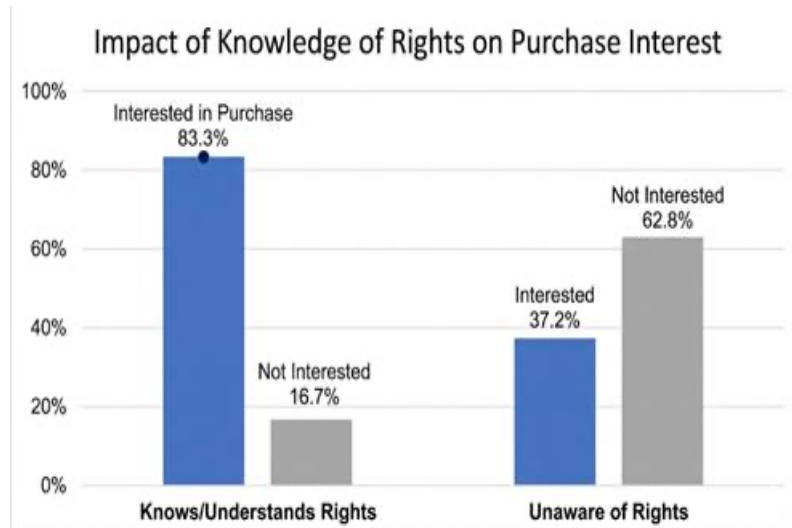


Figure 1.
Impact of knowledge of rights on tenants' purchase interest.
Source: Author's own research