

A STUDY OF MAJOR CHANGES AND HAPPENINGS IN REAL ESTATE INDUSTRY IN TWENTY FIRST CENTURY AND IMPACT OF TWENTY YEARS HAPPENINGS ON MARKETING PRACTICES IN REAL ESTATE INDUSTRY IN INDIA

Ankit Garg¹, Dr Saman Khan², Dr Trupti Singh³

¹Research Scholar in Maharishi University of Information Technology, Lucknow

²HOD, Department of BBA (IB), Sri J. N. P. G. College, Lucknow

³HOD, RBS Engineering and Technical Campus, Agra

Abstract:

Last two decade have seen a major turmoil in real estate in India. Starting with 2002 stamp paper scam till the demonetization and digitalization in 2016, lots of things had happened in India. The other activities like pollution lead NGT to intervene in the construction industry in Delhi NCR and finally lockdown due to COVID 19 in India has made a remarkable impact on real estate industry in India. Real estate industry has faced many issues. These changes have affected the structure of marketing for real estate firms. Present study has based upon a survey among real estate developer, agents and marketers to know the impact of different changes in real estate sector and impact of marketing outcomes in real estate.

Key words: Real Estate Industry, Marketing, Digital marketing

1. Introduction

Real estate is defined by Cambridge dictionary as 'property in the form of land or buildings.' Increasing population on planet is making the landscape important for individuals. Real estate has grown as an important sector in economy. Real estate sector is quite possibly the most internationally perceived sectors. It includes four sub sectors - housing, retail, hospitality and commercial. The development of this sector is all around supplemented by the development in the professional workplace and the interest for office space just as metropolitan and semi-metropolitan facilities. The development business positions third among the 14 significant sectors regarding immediate, roundabout and actuated impacts taking all things together sectors of the economy.

¹ Research Scholar, Department of Business Management, Maharishi University of Information Technology

² HOD, Department of BBA (IB), Sri J. N. PG. College, Lucknow

³ HOD, RBS engineering and Technical Campus

It is likewise expected that this sector will cause more non-inhabitant Indian (NRI) venture, both for the time being and the long haul. Bengaluru is relied upon to be the most preferred property venture objective for NRIs, trailed by Ahmedabad, Pune, Chennai, Goa, Delhi and Dehradun.

Market Size

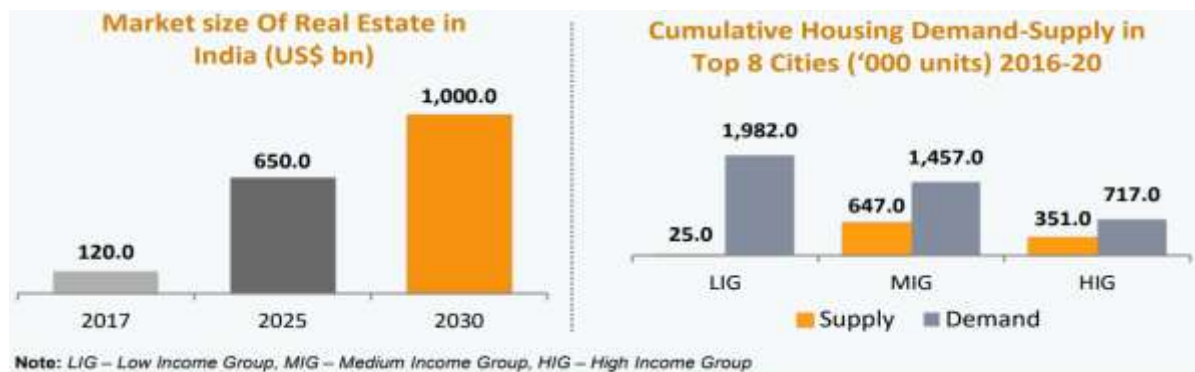


Fig.01: Market Size in real estate sector

By 2040, real estate market will develop to Rs. 65,000 crore (US\$ 9.30 billion) from Rs. 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is relied upon to arrive at a market size of US\$ 1 trillion by 2030 from US\$ 120 billion of every 2017 and contribute 13% to the country's GDP by 2025. Retail, accommodation, and business real estate are additionally developing altogether, giving the truly necessary foundation to India's developing requirements. Indian real estate expanded by 19.5% CAGR from 2017 to 2028.

Sector Compilation



Fig.02 : Commercial Real Estate distribution in India

Hyderabad is the prime city that shares most of the commercial space in India. Due to political inclination, once remained a trade city, Kolkata now shares least commercial space in India.

Trends in real estate



Fig.03: trends in rea estate Sector

In recent years the demand of real estate has shown continuous growth. Benefits to real estate person is as follows:

- 1- Continuous Demand
- 2- Increase in Investments
- 3- Favorable Government policies
- 4- Lucrative opportunities

2. Objective of Research

The objective of present research is to study the impact of different changes in real estate sector on the marketing in real estate sector.

3. Research Methodology

Housing is one of the prime needs of society. Every human being needs a permanent residence. In such case marketing efforts make no sense for the customer of lower income segment. They will always bargain for the price irrespective to other features. So, for present study research has selected 90 real estate agents those deal in high or middle level income customers. While asking about their impact of events on marketing it is expected form them to consider the high or middle level income customers. Research location remained Lucknow city of Uttar Pradesh. The opinion of agents was considered as at three-point scale. Where agents have to rate the factors' effect as high, medium or low.

4. Findings of the study

The researcher has asked the agents opinion about 15 factors that may affect the consumer buying and marketing pattern of real estate marketer. The 15 factors are as follows:

1. Bank Loan facilities

The marketer feels that most important feature that attracts a customer is 'Nationalized Bank approved projects.' Most of the buyers stop negotiating at first point of project approval with any nationalize bank. The obvious reason behind it is resale value of the property is high if the project is approved by any bank.

2. Digitalization of marketing space

Most of the products are available online now a days. These products vary from a FMCG product to a car. Marketing has been changed over a period. The marketing efforts are now based on internet so chances are high that real estate marketing remains same.

3. E-marketing

In digital market space e-mail, chat bots, web-based messages are also important. Researcher has tried to find out the impact of E-marketing on real estate sales. Now a days the companies are also providing apps that can give 360-degree visuals of any project. A customer may feel convenient while buying if he can view the project pre hand.

4. E-Stamp duty

The earlier real estate market was full of manipulations. For tax avoidance real price of properties were manipulated. Chances of fraud were high. But e stamp duty collection has made a remarkable change. Researcher has tried to know that whether this practice has effected marketers in real estate.

5. Introduction of RERA

Delay in possession, manufacturing error, mis communication and false offers were very common attribute related with real estate. After regulatory change the marketing has also changed in real estate. Researcher has tried to get feed back for impact of RERA in real estate marketing.

6. Celebrity endorsement

Most common way to impact buying behavior is celebrity endorsement and researcher has tried to see its applicability in real estate market. In Lucknow, cricketer R P Singh endorse a real estate venture. At national level cricketer Bret Lee use to promote real estate property. The present research tried to know that does celebrity endorsement plays any role in the marketing according to the actual real estate marketer.

7. Proximity to facilities (schools/hospital)

Researcher has tried to know that does the location of project affects the real estate marketing.

8. Demonetization

Real estate business was one of those businesses where cash played major role. Most of the transactions were made in cash to avoid taxation. Suddenly demonetization made it difficult to operate in cash-based

markets. Researcher has tried to know about the effect of demonetization on marketing efforts of real estate businesses.

9. Brand Image of Builder

Does buyer wish to pay for brand? It is the most important question in the mind of marketers. Those who pay enough weightage to consumer behavior, must focus upon their reaction to brand image. Researcher has tried to know the impact of brand in real estate marketing. Response of agents will be able to demonstrate whether the real estate buyers go for brand image of property are the still influenced by basic features.

10. Property search Websites

99 acers, magic bricks and other similar websites also affects the marketing efforts of real estate business.

11. Influencer marketing

Now a days most empathic tool for knowledge gathering is you tube. People seek information form social media influencers and experts. In such case researcher has tried to know that whether it pays in real estate marketing or not.

12. Outdoor marketing

We can easily see outdoor hoardings and marketing banners of real estate businesses. Researcher has tried to know that whether they actually pay or just remain a compliance like any other business.

13. Reference from Existing Buyers

Does word of mouth pay in real estate? Researcher tried to explore the issue in present research.

14. NGT interventions

Last few years it has been observed that the real estate sector has been instructed to shut down its operations on the behalf of environmental issues. Researcher tried to explore the impact of NGT interventions on marketing.

15. Agents Selling Skills

Last but not the least a sales man can turn the table with his salesmanship. Does it work in real estate? Researcher has addressed the issue in present research.

Table 1: Response pattern and analysis:

Sr. No.	Observed indices	No. of observations	Df (degree of freedom) for observation	chi-square value at 0.05 level of significance	chi-square value for observation
1	Bank Loan facilities	90	2	5.991	14.466
2	Digitalization of marketing space	90	2	5.991	1.266
3	E-marketing	90	2	5.991	4.999
4	e-Stamp duty	90	2	5.991	6.199
5	Introduction of RERA	90	2	5.991	21.666
6	Celebrity endorsement	90	2	5.991	2.599
7	Proximity to facilities (schools/hospital)	90	2	5.991	6.066
8	Demonetization	90	2	5.991	7.200
9	Brand Image of Builder	90	2	5.991	9.866
10	Property search Websites	90	2	5.991	13.066
11	Influencer marketing	90	2	5.991	3.266
12	Outdoor marketing	90	2	5.991	3.466
13	Reference from Existing Buyers	90	2	5.991	11.4
14	NGT interventions	90	2	5.991	0.866
15	Agents Selling Skills	90	2	5.991	4.066

Researcher has found that Bank Loan facilities, e-Stamp duty, Introduction of RERA, Proximity to facilities (schools/hospital), Demonetization, Brand Image of Builder, Property search Websites and Reference from Existing Buyers are crucial for real estate marketers.

5. Conclusion

Real estate industry is facing several challenges. Food, cloth and shelter are the basic needs. Even been one of the basic needs this sector is facing challenges. The reason of the same is the cyclic effect of income of individual. Due to different issues in economy the individual income has been suppressed. The suppressed income is gradually decreasing the demand of goods. People prefer to keep the money intact. This cyclic issue decreases the overall economic activities. This further increases the lack of investable money.

Lehman Brothers crisis in 2008 has resulted an economic slowdown. Indian economy was never able to overcome exactly. Due to recent development of pandemic things have changed a lot. Market has dropped down; prices are all time low in real estate. Affordable urbanization has developed a small boost in real

estate sector. Marketers can use the findings of the present study for the development of their own marketing tactics. The research also shows that fascinating activities of advertisement and marketing becomes less applicable when it comes to market the real estate. The present study also emphasizes on the quality of product. It is still true in modern context that the quality of product is the key to success. A valid, approved and quality real estate property is always easy to market. Value proposition of any property attracts the customer.

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