

“EFFECTIVENESS OF EXPERIENTIAL MARKETING IN REAL ESTATE WITH SPECIAL REFERENCE TO PRESTIGE GROUP IN BANGALORE”

PROF. NIHARIKA MISHRA

Assistant Professor

RAMAIAH INSTITUTE OF MANAGEMENT

BANGALORE - 560 054.

PENUGONDA VENKTA PRAJEETH

PGDM

Abstract

Real estate sector is one of the universally recognized sectors and in India after agriculture real estate is the second largest sector. Real estate sector consists of four sub-sectors namely retail, housing, hospitality, and commercial. As a real estate agent, the primary goal is to focus on clients who are interested to buy or sell home. Hence, Experiential Marketing is the operator standing to help experience the concept of the purchase, process of the purchase, thoughts of purchase and driving force of the purchase, that is, from a consumer's senses, feelings, thinking, action and connection, these five aspects define and design the way of thinking about marketing. Experiential marketing is defined as a memorable experience that goes deeply into consumer's mind. Experiential marketing is also referred to as engagement marketing, live marketing, event marketing, participation marketing, and on-ground marketing. It directly invites and encourages customers to participate in brand evolution. This study is done on several customer variables to understand the effectiveness of experiential marketing in real estate with special reference to Prestige group in Bangalore. The main objective of the study was to determine the effectiveness of experiential marketing in real estate, to ascertain the factors that affect experiential marketing in real estate. To meet this purpose, the data was collected by conducting survey using questionnaire. This study proves that, there is a significant relationship between experiential marketing and buying decision of the customer. Hence it proves that customers prefer to experience the property before purchasing. Hence it makes a customer to take an effective buying decision towards real estate properties. The analysis and advice presented in this project report is based on Market Research on the effectiveness of experiential marketing in real estate with special reference to Prestige group. This research will help to know about the

preferences and buying decisions of the customers and attributes for Prestige group.

Keywords: *Experiential Marketing, Real Estate, Consumer Experience*

1. INTRODUCTION

Experiential marketing is defined as a memorable experience that goes deeply into the consumer's mind, to experience the concept of the purchase, process of the purchase, thoughts of purchase and driving force of the purchase, from a consumer's senses, feelings, thinking, action and connection. Experiential marketing makes the customer remember product or service with a personal connection. It not only communicates messages as compared to traditional marketing, but it creates a strong and considerable impact on consumer behavior. Experiential marketing is an essential tool to create positive customer satisfaction and customer loyalty. Experiential marketing can meet the psychological needs of customers and communicate to consumers more effectively. Experiential Marketing breaks the assumption of the "rational consumer" and believes that consumer has both sense and sensibility.

2. REVIEW OF LITERATURE

A study by Karen M. Gibler, Susan L. Nelson (April 1998) - This paper presents a review of the consumer behaviour literature relevant to real estate and suggest how these concepts could expand real estate study. This study examines that, Consumers are expected to make real estate decisions that maximize their utility and wealth given price and income constraints. Tastes and preferences are taken as given. The outcomes of consumer actions are used to infer these preferences. The study of real estate would benefit from an expansion to include consumer behaviour concepts from sociology and psychology as synthesized through marketing. Inclusion of these concepts in real estate education will help real estate analysts better explain and predict the behaviour of decision-makers in real estate markets.

A study by Schmitt Bernd (1999) – Schmitt considers that traditional marketing is only concerned with the features and benefits, while experiential marketing focuses on customer experience which occurs as a result of encountering or living through things. He also states four factors of experiential marketing 1) a focus on customer experience, 2) consumption as a holistic experience, 3) emotional – driven experience, 4) eclectic methodologies. The findings of a research have revealed three distinct dimensions of experiential marketing 1. Marketing experience 2. The experiential interface 3. Customer experience.

A study by Dainora Grundey 2008-According to Grundey rapid growth in technology is influencing changes in marketing; competition is high among marketers where the principles and actions of traditional marketing are no more effective. This paper is about explaining experiential marketing is better way to understand consumer behaviour compared to traditional marketing. Characteristics of experiential marketing are orientation to customer experience, looking to customer experience holistically. To find new opportunities, to attract customers; experiential marketing came into view. Grundey also explains SHMITT'S approach to

notion of experience sense, feel, think, act, relate. A study by Rajesh Kumar Srivastava (2008) - Study was conducted basically on how experiential marketing can be useful in building a brand. Experiential marketing impact was studied on parameters like feel good, friendly people and ambience. The study confirms that experiential marketing can be used to build brand better. Word of mouth is equally important for experiential marketing.

A study by Zheyu Zhao, Chunying Zhang (May 2009)-This paper explains about applications of “Experiential marketing in Real Estate”. Experiential marketing can meet psychological needs of customers and communicate to consumers more effectively. Authors say that Real estate and experience are inseparable, experiential marketing is the momentum of real estate’s development. They also state that experiential marketing is active customer participation and the ultimate goal is to create a full range of customers. It overall says that experiential marketing creates direct impact to main body creating a kind of “feeling that will not forget”. It becomes a real estate marketing trend.

A study by Srini R. Srinivasan, Rajesh Kumar Srivastava(August-2010)-Experiential marketing creates memorable experiences and customers fondly remember them and even share them with peers and family. This research examines and analyzes experiential marketing, both from customers and marketers point of view. It also explains the issue and how to create experiences and also proposes a model, the way of looking at experiential marketing. The study was aimed at young respondents below 30 years of age and it carries at malls. Overall it says that marketers should focus on environmental elements to increase satisfaction.

A study by Fang (2013) - The paper analyses real estate issues in three line cities. First of all, the marketing theory of real estate are outlined, on the basis of this theory, using theories of 4P (product strategy, promotion strategy, price strategy and channel strategy) to conclude the marketing situations of real estate enterprises, and put forward the problems existing in real estate enterprises marketing strategies in Three line cities, with the existing problems to put forward the countermeasures. A study by R. Ozturk (2015)-According to Ozturk experiential marketing is defined as a memorable experience that goes deeply into the customer’s mind. Marketing activities shifted from decades as focusing on product to creating customer experience through experiential marketing. This research says relationships among experiential marketing, customer satisfaction and loyalty. This strategy focuses not only on how to sell products but also about how to give experiential sensation to customers. The research was carried at 4 malls in Konya. Hence research concludes as the positive significant relationship between customer satisfactions, customer loyalty with experiential marketing.

A study by Omar Hassan Ghazzawi, Abu Hassan Abu Bakar (August2015)-This study explains the buying behavior of customers in real estate by the effect of Attitude, Location, Living Space, Public Service, and Reference groups namely friends and family. In this study, many behavioral sciences theories that have been applied in marketing are relevant to real estate. The Questionnaire survey is used to collect the data. The findings of this study indicated that attitude has a positive impact on buying decision than other factors.

A study by Dr. Sc. Nail Reshidi, MSc. Reimonda Hoxha, MSc. Rasim Zuferi (2015) - This paper draws on data collection and information with the purpose of exploring and analyzing marketing strategies of construction companies. Most of the costumers are more selective and companies that do not perform a competitive offer do not come into consideration by them as a part of their decision process. It also examines the role of internal and external factors that influence the development of the Real Estate industry and analyses the trends for the future.

3. STATEMENT OF THE PROBLEM

This study focuses on apprising experiential marketing in real estate with special reference to Prestige group in Bangalore. Previous studies reflect that, with different kind of projects being launched by hundreds of developers in all segments, a real estate buyer often feels confused. Buyer cannot exactly choose which project's right for him, where traditional marketing is only concerned with the features and benefits. Most of the costumers are more selective and companies that do not provide competitive offer do not come into consideration by them as a part of their decision process, hence many companies need to reconsider their strategies and plans of action to stay in the market and maintain their competitive position. This study focuses to overcome this confusion and to provide more experience to customers. Developers are required to recognize the needs of their prospects and are looking at ways to address their needs, engage them and lead them towards making the buying decision using new age experiential marketing techniques and installation based experiences.

4. OBJECTIVES OF THE STUDY

- To determine the effectiveness of experiential marketing in real estate.
- To ascertain the factors that affect experiential marketing in real estate.
- To analyze the factors that affect experiential marketing in real estate.

5. SCOPE OF THE STUDY

This study is useful for those who want to know about the effect of experiential marketing in real estate.

6. HYPOTHESIS

H0: There is no significant relationship between experiential marketing and buying decision of the customer

H1: There is a significant relationship between experiential marketing and buying decision of the customer

7. RESEARCH METHODOLOGY

Research method used is Applied research and the sampling technique used is Convenience Sampling.

8. PLAN OF ANALYSIS

Tool used for analysis used is Chi square test and Primary and Secondary data has been used for data collection.

9. DATA ANALYSIS

Hypothesis Testing

Case Processing Summary

Cases

	Valid N	Percent	Missing		Total	
			N	Percent	N	Percent
factors impacting purchase decision * locality factors influencing experimental marketing	100	100.0%	0	0.0%	100	100.0%

Factors impacting purchase decision * locality factors influencing experimental marketing Cross tabulation

Count

locality factors influencing experimental marketing		least important					Total
		slightly important	moderate	important	very important		
factors impacting purchase decision	location size	0	0	7	11	17	35
	ambience	0	0	6	8	8	22
	price	3	1	9	3	3	19
	affiliated facilities	0	2	4	5	4	15
		0	3	4	1	1	9
Total		3	6	30	28	33	100

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	41.210 ^a	16	.001
Likelihood Ratio	36.360	16	.003
Linear-by-Linear Association	14.965	1	.000
N of Valid Cases	100		

a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is .27.

Interpretation:

Since the calculated p-value is 0.001 which is less than significant p-value 0.005. Hence we need to reject the null hypothesis “There is no significant relationship between experiential marketing and buying decision of the customer” and accept the alternate hypothesis “There is a significant relationship between experiential marketing and buying decision of the customer.”

Inference:

From the above analysis it is inferred that there is a significant relationship between experiential marketing and buying decision of the customer because, customers prefer to experience the property before purchasing it.

10. FINDINGS

Majority of the respondents who are interested to experience before purchasing are within the income level of 5-10 lakhs per annum. They have shown interest in purchasing a new house by experiential Marketing and consider it as the most important factor for taking a decision for purchase. Majority of them prefer Prestige group followed by Phoenix as a developer.

11. CONCLUSION

The study concludes that, there is a significant relationship between experiential marketing and buying decision of the customer. The main objective of the study is to determine the effectiveness of experiential marketing in real estate, to ascertain the factors that affect experiential marketing in real estate. To meet this purpose, the data was collected by conducting survey using questionnaire and gathering relevant information through the prior relevant studies.

This study is conducted on several customer variables to understand the effectiveness of experiential marketing in real estate; hence it proves that customers prefer to experience the property before purchasing it in order to check whether it satisfies their needs or not.

RECOMMENDATIONS

Most of the respondents who are earning between 5-10 lakhs per annum are showing interest to experience and purchase the houses, so developers need to concentrate on them and to provide houses at an affordable price.

It is also found that location is an important factor for customers to experience and purchase, so developers need to concentrate more on location to attract the customers.

Since most of the employees intend to buy new house like detached single family house/condominium, so it is essential for companies to develop experiential marketing for condominium/single family home to gain market and competitive advantage.

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