

# Digital Marketing as a Competitive Advantage for Realtors

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## DIGITAL MARKETING AS A COMPETITIVE ADVANTAGE FOR REALTORS

### ABSTRACT

*Over the last few years, digital marketing has revolutionized real estate industry in a significant way around the world. Buyers are researching extensively online before buying the product and sellers are taking this opportunity to show case their products online. In this scenario a need has been felt to understand how builders are using this strategies to gain a competitive advantage and what extent digital marketing has created an impact on home buyers.*

*Keywords: Digital marketing; Competitive advantage; Social Media; Mobile Applications*

### INTRODUCTION

Today, digital marketing is playing a vital role in influencing the decisions of home buyer. Buyers are directly reaching the seller surpassing the agents in between, thanks to the efforts of builders who are posting ads on social media sites and other forums to reach the customer directly. This trend though in nascent stage in India, is bound to grow and stabilise as technology savvy sellers and buyers increase. According to NAR/Google 'Digital House Hunt' survey (2019), Television, Print and Outdoor channels of advertising are playing a minimal role in the research and decision making process of home buyers. This trend is undisputed and it presents more opportunities to the builders and developers who invest in digital marketing and directly connect to their customers. Builders opting for digital marketing may have a competitive advantage in the future.

### INDIAN REAL ESTATE MARKET

Indian real estate is a significant contributor to the economy. It is the second largest employer providing employment to millions directly and indirectly. As many ancillary units are dependent on construction sector, real estate has multiplier effect on the economy (Baijal, 2018).

India real estate sector that consists of four subsectors: housing, commercial, hospitality and retail, has gone a long way by becoming one of the fastest growing markets in the world. It has not only attracted the domestic clientele but also foreign investors. According to ibef (ibef, 2019), Indian real estate market is expected to touch US \$1trillion by 2030 and contribute 13% to country's GDP. In this residential sector alone contributes to 5-6 % of the country's GDP. According to CBRE report (2019), sales and new launches are expected to increase in the affordable and mid-segment housing because of the government initiatives. Indian residential sector is a fragmented market with both the organised and unorganised players occupying the space. This has created a fierce competitions among the players and they are adopting different strategies to attract the customers. One of those strategies which is playing a key role in advertising and branding of a real estate organisation is digital marketing. Digital marketing paves a way in reaching the target audience and in turn generating the leads and converting them in to sales. Over the last few years, digital marketing has revolutionized real estate industry in a significant way. Buyers are researching extensively online before buying the product and sellers are taking this opportunity to show case their products online. In this scenario a need has been felt to understand the digital marketing strategies adopted by real estate companies in India & understand to what extent digital marketing has an impact on real estate customers.

### REVIEW OF LITERATURE

#### Digital marketing in real estate industry

When it comes to deciding on how to spend marketing budget, realtors have more choices than ever. Digital Marketing is one such tool which is gaining lot of importance in real estate industry. According to a report

on real estate in digital age 2017 the world we live in today is digital one and searching for home is no different. Buyers now have apps that let them search for homes by location & their neighbourhoods, searching online maximises their ability to compare and contrast homes on the market by selected feature. This is making the realtors to be online and be connected to their customers through various media like social networking sites, blogs, mobile apps etc.

Digital marketing has become very popular in the modern real estate industry because of its reach and affordability. The real estate buyers are searching for dealers agents, projects and selling online, thus making it more lucrative for the real estate industry. This can also be established by some facts 92% of all home buyers used internet at some point in their home search, 42% of all home buyers used internet as first step in their home search and 14% of all homebuyers looked online for information about the buying process (Raman,2018). And as per digital marketing activities of social media client, there has been a tremendous raise in the number of leads (at least 300%) generated through digital marketing platform. According to research by Digital Vidya real estate companies are spending 25% of their marketing budget on digital marketing (Behl Sakshi, 2016)

In general there are four factors that are driving the evolution of Digital marketing today: technology; story telling; first mover advantage; mobile focussed digital marketing (). These factors are creating experiences to the customers, so that customers fall in love with it. Technology not only helps the marketers in making their strategies effectively, but also helps in running the digital marketing operations smoothly and productively.

### **Benefits of digital marketing in real estate**

Digital marketing benefits the customers by exposing them to more choices than ever before and at the same time it is advantages to realtors as they can generate more leads and can measure each rupee spent as return on investments (ROI) is evident. Some of the benefits of digital marketing for real estate identified by Nandita Raman include:

- ❖ Lot of money goes into real estate projects. Digital marketing offers free publicity at lower prices compared to traditional communication. So, it is very cost efficient tool in the hands of marketers
- ❖ Digital marketing strategy helps in expanding the overall reach and even helps in customising the reach towards a selected target market.
- ❖ It helps in evaluating their performance related to communication strategies. Digital marketing creates different ways to track the performance of an advertisement in the competitive market place.
- ❖ Digital marketing is a beautiful platform for the realtors to showcase their products
- ❖ Digital marketing helps in building the brand and thus attracting more customers.

### **Digital marketing techniques used in real estate**

According to Nanditha, real estate digital marketers have to adopt three techniques so as to succeed in digital marketing space: building the brand; acquiring customers; engaging customers.

#### **• Building the brand**

In order to build their brands, realtors have to create an online presence for themselves. The first step towards this move includes **creating a website**. Website serves as a virtual office to showcase realtor's projects or serves as a virtual market place for customers to explore various projects. As statistics show that 80% of the home buyers use key words in searching it is essential that realtors have a **Search Engine Optimization** (SEO) in place. Considering real estate as broader view, realtors should take the advantage of blogs. Blogs are creative sources of information that give information on upcoming projects, home buying tips and any other topic related to real estate. Last but not least social platforms like face book, twitter, linkedin etc create a lot of visibility to the company at low cost.

#### **• Acquiring customers**

If the potential customers are not aware of realtor's online presence, the marketing effort won't be productive enough. Hence, realtors should resort to ways in which they can generate the leads and convert them into sales. Some of the methods which real estate companies can adopt include: advertising online to reach the

target customers; creating ads in facebook; creating google ads; sending automated e-mails or spreading word of mouth through internet.

## • Customer Engagement

The age old marketing rule, retaining the customers brings in more revenues applies to digital marketing also. So realtors should plan ways to engage their customers online. Customers can be engaged through face book by posting different events happening near the project, giving tips on investment etc. People can also be engaged through YouTube by posting site videos; property interior videos; virtual reality of property experience etc.

The literature review shows that realtors are engaging themselves in digital marketing strategies, but with few apprehensions. There are no research studies that have been conducted related to digital marketing in real estate in Indian scenario. This calls for a research on essence of digital marketing as a tool for real estate companies to enhance their visibility and business.

## OBJECTIVES OF THE STUDY

- ❖ To Understand how home buyers have adapted digital marketing tools.
- ❖ To understand extent of usage of digital marketing tools by realtors.

## RESEARCH METHODOLOGY

The study is based on qualitative and quantitative evidences. The research design used was exploratory and descriptive in nature. A structured questionnaire has been developed and administered to elicit the responses from realtors and the clients. The questionnaire consists of 20 questions which are designed on the basis of ranking and likert scale. Frequency table, graphs and Relative importance Index statistical were used to analyse the data. Sample size selected for customers is 120 and realtors are 56. The builders and real estate agents were considered as realtors for the study. The sampling procedure adopted was convenience sampling, where adequate care has been taken not to deviate the normality conditions.

## SCOPE OF THE STUDY

The study focuses on capturing the perceptions of customers towards digital marketing and usage of technology in buying or searching for houses. Further the study also captures the views of realtors in using digital marketing as tool for promoting and branding their products.

## LIMITATION OF STUDY

- ❖ This study is limited to twin cities, Hyderabad and Secunderabad, Telengana, India
- ❖ As there is a dearth of research on digital marketing in construction industry the material available was limited.
- ❖ The bias & hesitations of the responders affect the study to certain extent though proper care has been taken to avoid such variations.
- ❖ The study focuses only on digital marketing aspects and not on any other marketing strategies adopted by the real estate sector.
- ❖ Some of the factors might have been missed as the questionnaire is based on forced choice.

## DATA ANALYSIS AND DISCUSSIONS

The analysis of the study consists of two parts addressing each objective. The first part of the analysis talks about the use of technology by home buyers in buying a home and second part analyses the responses of realtors towards usage of Digital Marketing for their business.

### Part A: Customer response Analysis

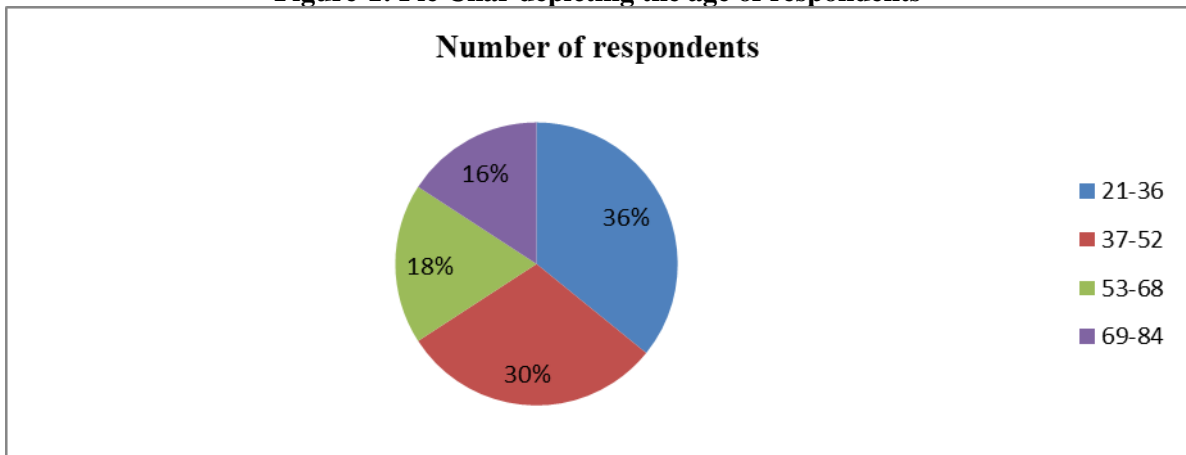
Age:

The following table gives the age groups of respondents who were a part of the survey

**Table-1: Age of respondents**

Age Group (years)	Number of respondents
21-36	43
37-51	36
52-61	22
62-70	19

**Figure-1: Pie Char depicting the age of respondents**



People in the age group of 21-52 make up the largest group of respondents at 66 %, whereas people above the age of 52 constitute only 34 percent. On the whole the average age of the respondents is around 46 years. Hence, it can be said that this study captured mainly the opinions of people who are in their middle age.

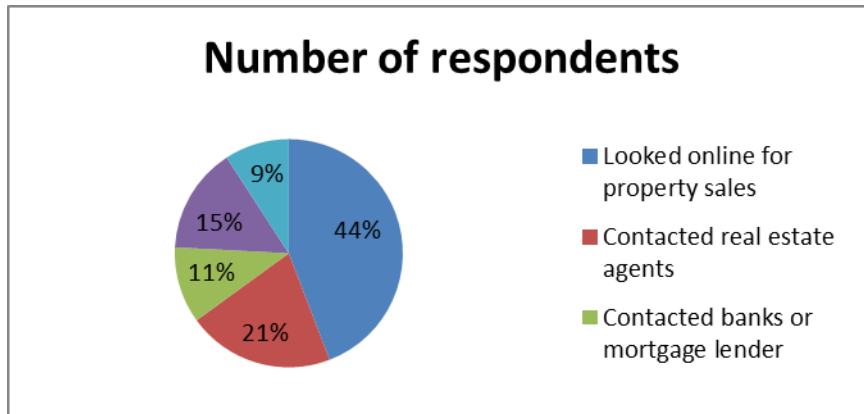
**First step towards home buying**

The next question was based on what methods have the respondents adopted as their first step towards home buying. Usually home buyers have many options while choosing their home; the following table depicts their preferences.

**Table-2: First step towards home buying-search options**

Search Option	Number of respondents
Looked online for property sales	53
Contacted real estate agents	25
Contacted banks or mortgage lender	13
Talked with a friend or relative	18
Drove around neighbourhoods in search of homes	11

**Fig-2: Pie Chart depicting First step towards home buying**



For more than 50 percent of the people, the first step towards their home search was looking online before venturing into other sources is buying the house. Whereas there were considerable number of people (21%) who resort to real estate agents for seeking first time information.

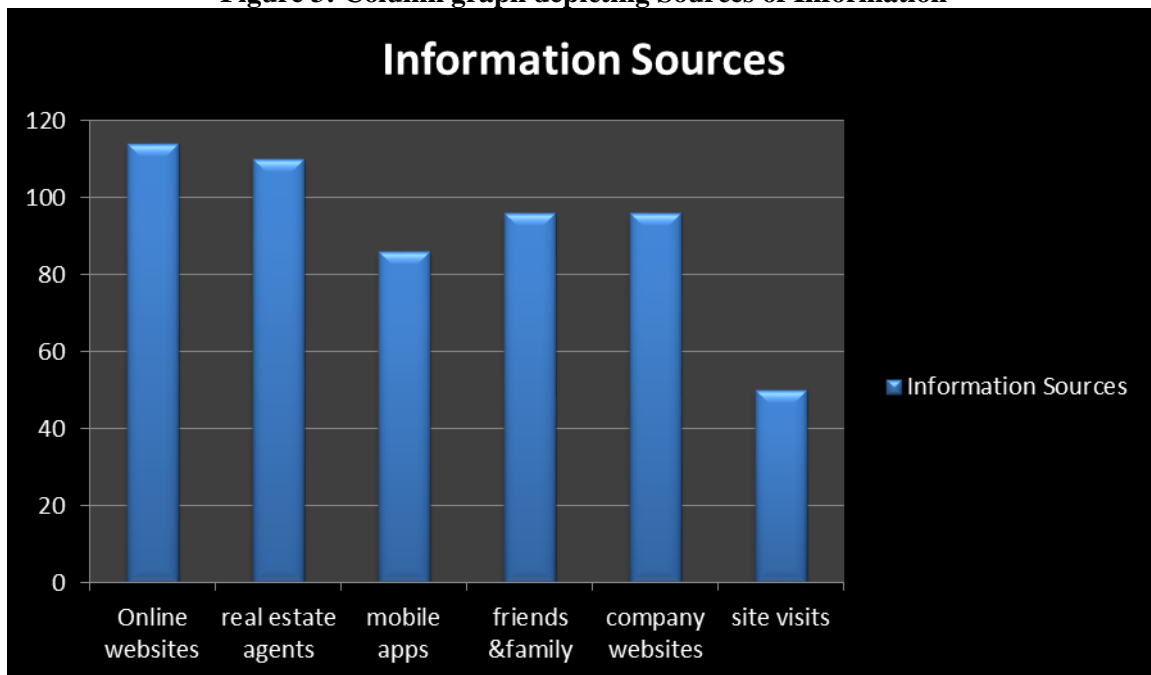
Information sources used in home search

Once the home buyers initiate their search, they move forward seeking more sources for additional information and to substantiate their search. In this process they seek the help of more than one source.

Table-3: Information sources used in home search

Source of information	Frequency	Percentage
Online websites	114	95
Real Estate Agents	110	92
Mobile Apps	86	72
Friends & Family	96	80
Company websites	96	80
Site Visits	50	42

Figure 3: Column graph depicting Sources of Information



Though online websites are the main source of information for around 95% of the people, home buyers also seek the views of real estate agents (92%) followed by friends & family and company websites each

contributing to 80%. This shows that a customer depends upon more than one source of information in searching for a home.

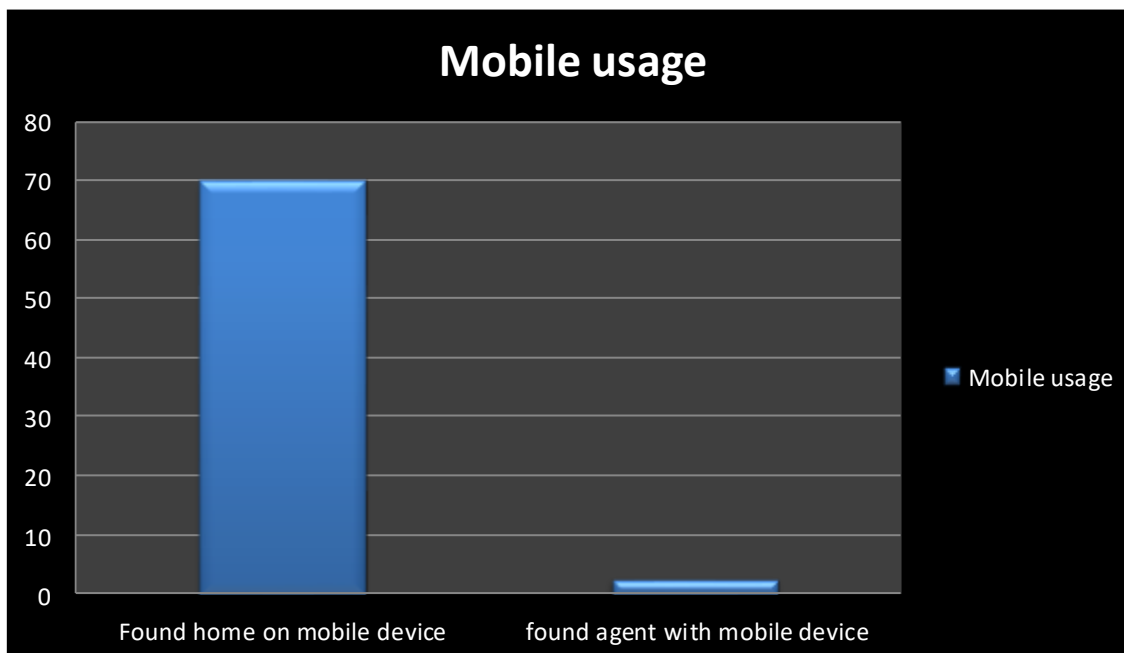
**Usefulness of Mobile Applications**

With the increase in usage of smart phones, more and more people are using the mobile apps in searching and finding their dream home.

**Table-4: Use of Mobile applications**

Mobile Usage	Number of respondents	Percentage
Found home on mobile device	70	58
Found agent with mobile device	17	17

**Figure-4: Column graph depicting Use of Mobile Applications**



It has been observed that 58% of the respondents found their home through mobile search and 17% of them found a link to the agent or middle men. This shows that there is an increase use of mobile apps in finding a house.

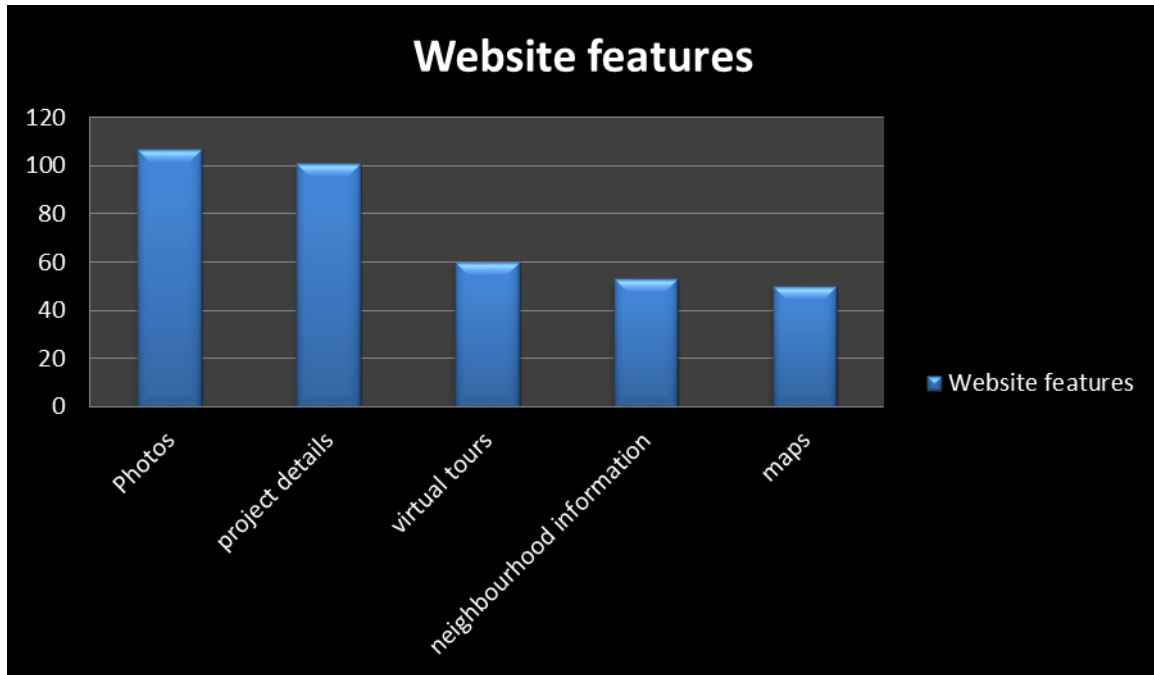
**Value of website features**

Customers look into the company websites to understand the features, amenities provided, pricing and any other useful information about the project through company website. So it calls for a good website which includes all the features that customers are looking for. The following depicts what features of the website are useful for a customer.

**Table-5: Value of website features**

Value of website features	Frequency	Percentage
Found photos useful	107	89
Found detailed information about properties	102	85
Found virtual tools useful	60	50
Found neighbourhood information valuable	53	44
Found interactive maps useful	50	41

**Figure-5: Column graph Website Features**



It has been found that the photos on the website and detailed information about the projects are very valuable to the customers in their search for a home. 89% of the respondents said they found photos very valuable and 85% of them said information about the property was valuable to them.

**Most difficult steps in home buying**

Customers often encounter certain problems, when buying a house. Hence, it was felt right to understand what the most difficult step was in home buying. The data is captured in the following table and Relative importance index (RII) was performed on the data to generate ranks.

**Table-6: RII of difficult steps in home buying**

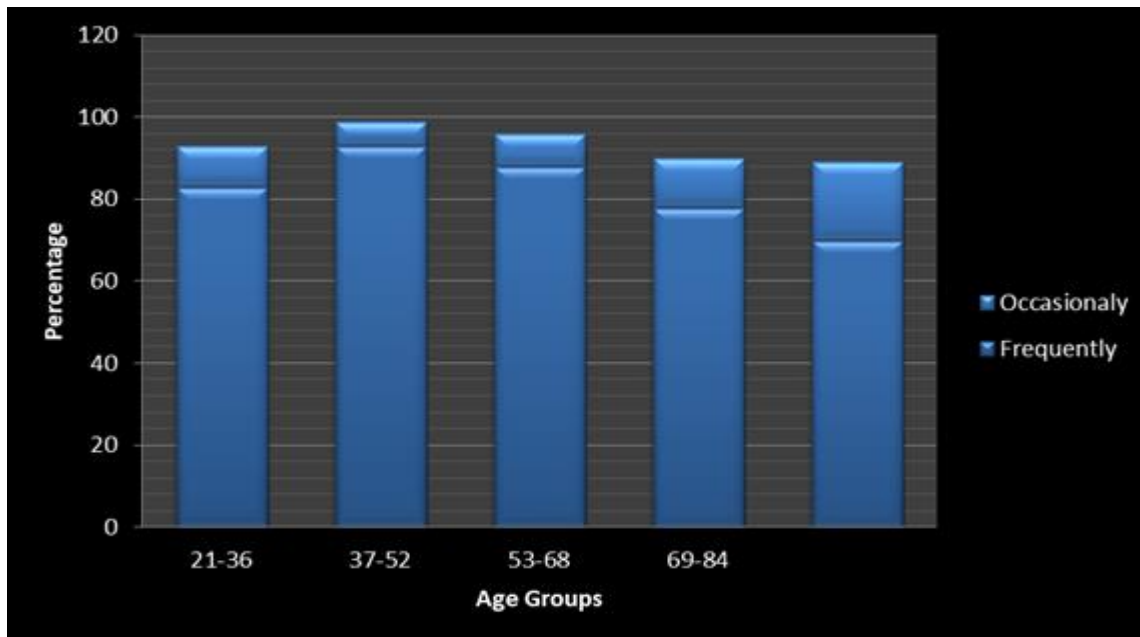
Item	RII	Rank
Finding right property	0.81	1
Finding neighbourhood	0.66	5
Finding the right price	0.69	4
Paperwork	0.61	6
Understanding the buying process	0.56	7
Getting loans	0.40	8
Finding the right builder	0.80	2
Understanding Return on Investment (ROI)	0.78	3

According to the study finding right property was considered to be the most difficult task in buying a house, followed by finding the right builder. The other factors which customers find it difficult include understanding the ROI and finding the right price. The process of getting loans is not considered that difficult by many of the customers, this may be because the ease of getting loans and the builders also having tie up with certain banks.

**Use of internet in search of homes according to age**

A person’s internet usage in searching for a home decreases with the age.

**Figure-6: Age groups and internet usage**



The above graph depicts that on an average 83% of the buyers use internet. But, if we go by age groups people who are in the age group of 21-36 are highly active on internet with 93% of them searching for a home on internet.

**Part B: Realtors response Analysis**

**Realtors Use of technology every day**

It has been observed that realtors are taking the advantage of technology by having their presence on various social media, SEOs and other things. The following observations were made based on the research

- ❖ 100% of the realtors have their websites
- ❖ 91% of the realtors most often prefer to communicate to their clients through e-mails.
- ❖ 90% of the realtors most often prefer to communicate to their clients through text messaging
- ❖ 34% of the realtors most often prefer to communicate to their clients through instant messaging

**Common features of the realtor’s website**

As all the realtors surveyed have their website, need has been felt to understand the common features of the website. The common features across different websites include:

- ❖ Project details
- ❖ Floor plans
- ❖ Property listings
- ❖ Property news
- ❖ Property prices
- ❖ Neighbourhood information
- ❖ Tips for home buying
- ❖ Mortgage and financial calculators
- ❖ Vashtu facts

Comfort levels in using social media for marketing the product

Use of social media to market the products has become very essential these days, hence it has been felt to capture the comfort levels of realtors on using social media.

**Table-7: Comfort levels in using Social Media**

Level of comfort	Number of people	Percentage
Do not use social media	4	7
Extremely uncomfortable	5	8,5
Uncomfortable	5	8.5
Somewhat comfortable	13	22
Comfortable	16	27
Extremely comfortable	13	22

It has been observed that though almost all of them use technology, when it comes to social media as a marketing tool only 22% of the realtors are extremely comfortable. It has also been observed that people who were comfortable are either organised in the real estate market or youngsters who are below the age of 40 years.

**Social media channels used**

After understanding the ease in using social media, the commonly used channels by realtors has been observed.

**Table-7: Social media channels used**

Channel	Number of Users	Percentage
Face Book	52	88
LinkedIn	40	68
Google +	19	32
You Tube	30	18
Twitter	16	27
Pinterest	3	5
Blogs	12	20
Instagram	6	10

It has been observed the most popular social media channel for realtors happens to be Facebook (88%) followed by LinkedIn. Pinterest is the least used mode and the usage of other modes is slightly improving.

**Why Digital marketing**

Digital marketing is taking over traditional marketing in these days as its tools are much more efficient in reaching the target audience. Hence, realtors were asked on why they are using digital marketing channels and the following data has been captured

**Table-8: RII of Why digital marketing**

Item	RII	Rank
Cost efficient	0.89	1
Increased visibility	0.85	3
Performance analysis	0.76	7
Showcase their products creatively	0.78	6
Brand building	0.80	4
Ease of reaching customers	0.88	2
Ease of getting leads	0.80	4

Almost all the factors are considered to be the reasons for using digital marketing strategies by realtors. But most important reasons identified were cost efficiency; ease of reaching the customers; and increasing the visibility of their projects.

**What realtors are looking up from technology?**

Though the most of the realtors are using internet technology they say they are facing certain challenges because of ever changing technologies. Hence, as a final step of the study the data on what realtors are expecting from technology is captured.

**Table-9: Realtors expectations from technology**

<b>Expectations</b>	<b>Percentage</b>
More tech support training	55
A more professional website	40
Cutting edge technology	42
Keeping update with technology	72
A better CRM database	78
Reliable faster internet	75
Easy to use technology	77

Customers are looking for easy to use technology (77%) and they need a better CRM database (78%). One more problem realtors are facing includes slow internet connections.

**CONCLUSION**

Consumers are going online at a faster pace to look for information they need in all aspects and there is no expectation in buying homes or searching for better living places. The study found that the youngsters are more inclined towards digital marketing strategies. The first thing that majority of the buyers do in buying a house is look for property sales online. But as they move forward in their buying process they take help from various sources that include company websites, real estate agents, family and friends. It has been observed that more than ninety percent of the respondents use online websites and real estate agents as their sources of information. Most of the respondents are comfortable using mobile applications. It is found that customers value the features of website and it is considered a reliable factor in making a purchase decision. So, realtors should consider designing their websites in a user friendly and appealing manner. And it should also include all the features that customer is looking for. The major problems that customers face in buying a home are finding a right property and finding the right builder. This issue has to be addressed by the realtors by providing reliable information through their websites or reach the customers through their blogs.

Today, realtors are using technology daily and it has become a part and parcel of their business strategy. Realtors provide different features in their websites ranging from project details to vastu facts. Realtors are comfortable sailing through the social media in spite of some initial hitches. The most commonly used social media channels are Face book and LinkedIn. Realtors use digital marketing strategies as they are cost efficient and give them more visibility.

The research gives realtor an insight into upcoming digital marketing strategies and yet the same time sensitizes the realtor about the online purchasing behaviour of potential and existing buyers. The realtors can use digital marketing as a tool to gain competitive advantage in the market.

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