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A Study Of The Relative Importance Of Various Media Of Promotion In The Real Estate Sector In India

Utpal Saikhedkar[1], Girish Mude[2]

[1]. PhD Research Scholar, Ramcharan School of Leadership, Dr Vishwanath Karad MIT World Peace University, Pune
[2]. Associate Professor, School of Business, Dr Vishwanath Karad MIT World Peace University, Pune.

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ABSTRACT
Real estate contributes a significant portion to the GDP of the country yet not much research is done on real estate in general and its marketing in particular. Real Estate developers use different media for advertising and promotion. The purpose of this paper is to identify the relative importance of various media for promotion in the real estate sector in India. This paper considers seven different media for promotion namely Newspapers, Hoardings, Social media, Google ads, Property fairs, TV ads, and Pamphlets. Sales Managers of the Real estate companies were approached with a structured questionnaire and were asked to rank these seven media in order of importance. 101 responses were received. Based on this ordinal data, a non-parametric test of Mann-Whitney (Wilcoxon Rank Sum) test was conducted to find out the relative importance of those seven media and whether there were significant differences in the importance of these various media. From the study, it can be concluded that Google ads are significantly more important than other media for promotion, followed by Social media which is significantly more important than Newspapers, Hoardings, Property fairs, TV ads, and Pamphlets.

Keywords: relative importance; promotion; real estate; google ads; social media.

INTRODUCTION

The marketing battle is a battle of brands (Aaker, 1991). Successful brand development contributes to profitability by adding values that entice consumers to make a purchase (Chernatony & McDonald, 1999). Numerous practicing managers define brand as something that has established a certain level of market awareness, reputation, and prominence (Keller, 2008).

Most of the people's most expensive purchase in their lifespan is a house. Most people would prefer to construct/ buy independent houses; however, due to the high cost of land in cities such as Pune, Mumbai-MMR, Bengaluru, Delhi-NCR, etc., home-buyers are constrained to buy flats/apartments constructed by Real Estate Companies.

Earlier, due to the Urban Land (Ceiling and Regulation) Act, 1976 (ULCRA) there was a ceiling or maximum limit of vacant land that could be owned by an individual, for example, in Pune city it was 1000 square meters (approximately 10,764 square feet). Therefore, real estate projects used to be very small, usually stand-alone buildings. After the ULCRA was repealed in 1999, by the Central Government, the real estate projects could become very big, integrated townships of hundreds of acres came into existence and the importance of promotion increased manifold.

As there are many real estate developers in any city, it has become a buyers' market and the buyers have a lot of choices. A house is consumer durable and just like a manufacturer of any other consumer durable, real estate companies have started giving a lot of importance to promotion, for which they have several media available. Some companies having large projects also hire brand ambassadors.

Inspite of the fact that Real estate contributes a significant portion to the GDP of the country yet not much research is done on real estate in general and Promotion in particular. The purpose of this paper is to identify the relative of various media for promotion in the real estate sector, in India. The scope of the study is restricted to the media used for promotion in the real estate sector only. The limitation of the study is that it was conducted in Pune City only. The paper is organised as follows: Literature review followed by Research methodology, General findings from discussions with Sales Managers of Real Estate Companies, Data analysis, and Conclusion.

1. Literature Review

The literature on real estate in general and promotion, in particular, is very scanty. However, at a general level, enough literature is available on advertising media, especially the Internet and social media. Real estate is immovable property. Real estate is divided into residential, commercial, industrial, agricultural, and special purpose such as hospitals, schools, etc. (Galaty et al., 2000). However, this paper is concerned with Real Estate companies that are constructing residential and commercial real estate.

A company's positive reputation is a significant competitive advantage. (Ahuja, 2015). Brand name ie the reputation of a Real Estate Company is an important factor that home buyers consider for purchasing a house (Kivett, 1988; Urbany et al., 1989; Bady et al., 1998) as the brand name is a proxy for quality (Brucks et al., 2000). Therefore, many professional real estate companies are taking a lot of effort into promotion.

The median age of a homebuyer today is 31 years (Deb, 2005). The young are expected to be tech-savvy. Many home-buyers log in to the web (IIRE, 2011). Young, nonlocals, and middle and upper-class home-buyers use the internet (Sundrani, 2013). Home buyers in large urban centres of India are predominantly IT-savvy young men and women who are extensively view google ads and social media for their decision making (Thaduri, 2021). Traditional methods of property viewing, such as physical visits or two-dimensional (2D) photos, may not always provide an accurate representation of the property, leading to dissatisfaction and lost sales opportunities. However, the emergence of virtual reality (VR) technology has created new opportunities to offer immersive and engaging experiences to prospective customers, even when buyers are unable to physically visit the properties (Hussin et al., 2023).

A home-buyer may use newspapers to collect information but could miss some if he does not buy the newspaper (IIRE, 2011). A person who wants to buy a house should look in the local papers, on real estate websites, and at property shows (IIRE, 2011). Newspaper advertising has an important role to play in promotion (Vasudevan & Peter, 2019). Real estate companies use Pamphlets, advertisements in newspapers, property exhibitions, the Internet, and hoardings (Siddhu, 2013). Digital is an especially potent force for brands and brand development. (Aaker,
2014). From the literature review, a research gap emerges, namely: What is the relative importance of various media for promotion used by the Real estate companies, which is a very pertinent question for Real estate marketeers, and as such becomes the purpose of this study.

2. Research Methodology

3.1 Objectives of the study:

To find the relative importance of various media used by real estate companies for promotion.

3.2 Hypothesis

Google advertising is the most important media for promotion compared to other media.

3.3 Research design

3.3.1 Type of Research

The research is Descriptive Research in which the researchers conducted various fact-finding inquiries. The research also describes the current situation. During the research, exploratory investigations were done to determine the validity of including various media in our questionnaire.

3.3.2 Sources of data

3.3.2.1 Secondary data

This data was gathered from numerous technical journals, periodicals, newspapers, published reports, websites, and unpublished theses.

3.3.2.2 Primary data

The target population was the Sales Managers of the Real Estate Companies in Pune.

3.3.2.2.1 Exploratory studies

By observation, the authors made a list of 16 media that were being used by Real Estate companies. Then Sales Managers of 10 Real Estate Companies in Pune were approached for a general discussion on real estate and the importance of promotion. Then they were asked to inform the average amount of money their companies spent on the 16 different media in the last few years. The Sales Managers said that they cannot give this data. After some discussion, it was decided that instead of informing the amount of money their company had spent, they would inform which media were important to them. The authors then decided to limit the number of media to 7. The reason for limiting the number of media to 7 was that in ranking, if the factors to be ranked become more than 7, then it becomes difficult for the respondent to do the ranking. These Sales Managers were requested to delete or add media to the list of 16 media, so that the total number of media remaining is 7, which in their opinion were the most important. They did not add any media to the list. The 9 deleted media (which were marked as unimportant by the Sales Managers) from the list were (i) small signboards along roads, (ii) ads on buses and the bus-stops, (iii) ads in magazines, (iv) ads in Trade journals, (v) sponsorships, (vi) banners during Ganpati festival, (vii) radio ads, (viii) ads in online yellow pages, and (ix) tele-marketing. The 7 media finally included in the list, together held about 90% of weightage. Consequently, the 9 media with a combined 10% weight had to be disregarded.

3.3.2.2.2 Sampling design

a) Sampling technique: Judgemental sampling technique was used. Small real estate companies with projects that consisted of standalone buildings were not approached.

b) Sample size: Total sample size of 101

3.3.3 Questionnaire design

The exploratory study and the secondary data provided insights that were integrated into the design of the questionnaire. The forced ranking method was used since some respondents tended to provide equal or median ratings to all variables in the case of interval data.

3.4 Data Analysis and Statistical Tools

Excel was used to determine medians for data that was on an ordinal scale. For hypothesis testing, we used the non-parametric test of the Mann Whitney (Wilcoxon's rank-sum) test with Minitab software to determine whether the differences in rank-sum for two media were significant.

3. General findings from Exploratory Study

The exploratory study was conducted by meeting 10 Sales Managers of Real Estate Companies in Pune. Following is the summary of the discussions:

The real estate industry is fragmented and unorganized. There are about 1000 real estate developers in Pune city itself. Thus, it is estimated that in the entire country, there are about 20,000 real estate firms (small and big) including some Public Limited Companies. Real estate is bought infrequently. On average, a home-buyer buys a house once in twenty years. About 70% of the Real Estate companies are local companies (from that city itself) that do not have a presence in other cities. The buyers of real estate are usually local people (who are earning in the city). It is very rare that the home-buyer is from another city. Due to these reasons, Real Estate Companies usually will not give ads on TV. If the Real Estate companies give ads in newspapers, then they will be only in the local editions. Further, if the Real Estate companies give ads in print media, they will be in local editions of newspapers, as there is no point in spending money to reach customers who are unlikely to buy. Recently the

Internet has become omnipresent and almost all sectors use Internet marketing & social media marketing real estate companies have also jumped on the bandwagon.

4. Data Analysis

Table 1 shows the profile of the companies, based on the age of the company, in years

Table 1. Profile of companies, based on the age of the company (Source: Compiled by authors)

Sr. No.	Age of Real Estate Company in years	Nos.
1	More than 20 years	19
2	15-20 years	23
3	10-15 years	39
4	5 -10 years	14
5	Less than 5 years	6
	Total	101

Based on Table 1, a pie-chart was made in % age as shown in Figure 1

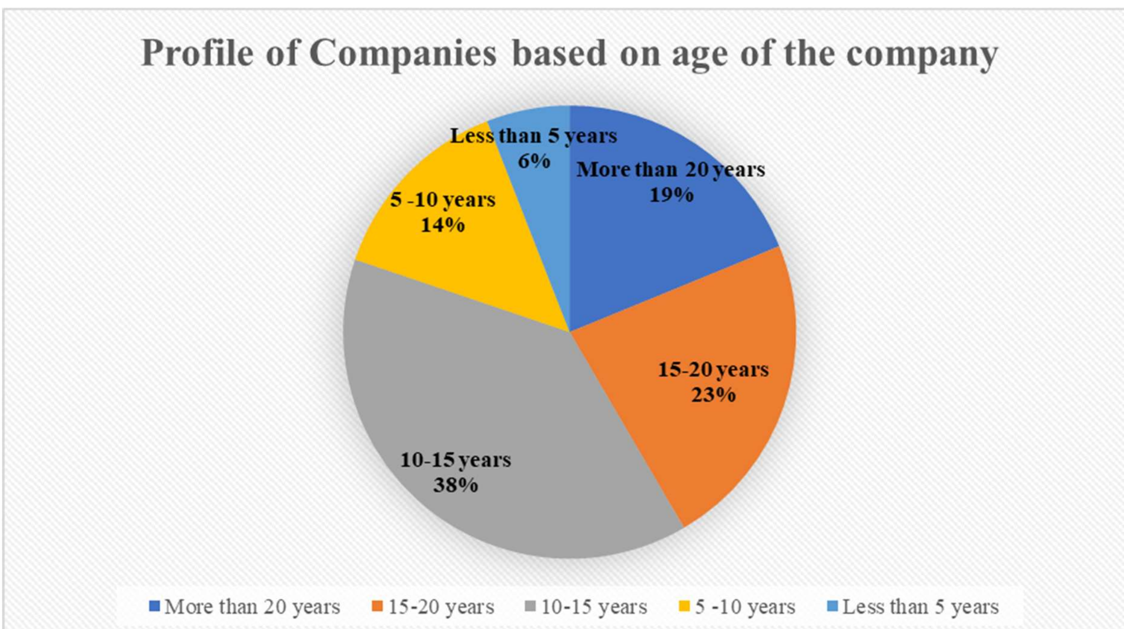

Figure 1. Profile of Companies, based on the age of the companies (Source: Compiled by authors)

Using Excel, the medians were calculated and tabulated in Table 2 for each Type of Media.

Table 2. Ranking of media based on the importance of Sales Managers of Real Estate Companies (Source: Compiled by authors)

Rank	Type of Media	Median
1	Google ads	1
2	Social media	2
3	Newspaper ads	3
5	Hoardings	5
5	Property fairs	5
5	TV ads	5
7	Pamphlets	7

For the ordinal data, medians were calculated and placed in ascending order. The null hypothesis stated that the first and second media were identical. The alternate hypothesis was that the first media was significantly more important because the rank sum of the first media was smaller. The Mann-Whitney (Wilcoxon Rank sum) test was used to compare media pair-wise whose medians were close together. The null hypothesis was rejected and the alternative hypothesis was accepted if the p-value was less than 0.05. If the p-value was equal to or greater than 0.05, the null hypothesis was not rejected.

Using the test for equality of rank-sum enables us to determine whether differences in rank-sums across the two media are significant.

The hypothesis to be tested is,

H_0: The difference in rank-sum of Media 1 and Media 2 is not significant

(and hence there is no significant difference in the importance of Media 1 and Media 2)

H_A: Rank-sum of Media 1 is significantly less than that of Media 2.

(and hence Media 1 is significantly more important than media 2)

At 95 % confidence interval;

If $p < 0.05$ then Reject Null hypothesis and accept Alternative hypothesis

i.e. the Media 1 is significantly more important than Media 2

If $p > 0.05$, then we cannot reject the null hypothesis

i.e. there is no significant difference in the importance of Media 1 and Media 2

Using Minitab, the pair-wise comparisons of 10 pairs were done. The result is tabulated in Table 3.

Table 3. Pair-wise comparisons of Media using Mann Whitney (Source: Compiled by authors)

Sr. No.	Media 1	Media 2	Test Statistic W_1	Test Statistic W_2	P-Value	Decision
1	Google ads	Social media	7128.50	13374.00	0.000	Reject H_o, Accept H_A
2	Google ads	Newspaper	7065.00	13437.50	0.000	Reject H_o, Accept H_A
3	Newspaper	Hoardings	7233.50	13269.50	0.000	Reject H_o, Accept H_A
4	Newspaper	Property fairs	6809.00	13694.50	0.000	Reject H_o, Accept H_A
5	Newspaper	TV ads	7183.00	13320.00	0.000	Reject H_o, Accept H_A
6	Hoardings	Property fairs	9274.00	11229.00	0.009	Reject H_o, Accept H_A
7	Hoardings	TV ads	9501.50	11001.50	0.036	Reject H_o, Accept H_A
8	Property fairs	TV ads	10306.50	10196.50	0.553	Cannot reject H_0
9	Property fairs	Pamphlets	8665.00	11838.00	0.000	Reject H_o, Accept H_A
10	TV ads	Pamphlets	8808.50	11694.50	0.000	Reject H_o, Accept H_A

W1 is the rank-sum of the Media 1, W2 is the rank-sum of Media 2 (Decision criteria: Reject Ho if P-value is less than 0.05)

From Table 3, we can say with 95% confidence and a 5% margin of error that:

1) Google ads are significantly more important than Social media
2) Google ads are significantly more important than Newspaper
3) Newspaper is significantly more important than Hoardings
4) Newspaper is significantly more important than Property fairs
5) Newspaper is significantly more important than TV ads
6) Hoardings are significantly more important than Property fairs
7) Hoardings are significantly more important than TV ads
8) There is no significant difference in the importance of Property fairs and TV ads
9) Property fairs are significantly more important than Pamphlets
10) TV ads is significantly more important than Pamphlets

5. Conclusion

Based on the above statistical analysis we conclude as follows;

1. From the study it is found that the hypothesis that Google advertising is the most important media for promotion compared to other media is accepted.
2. Google ads is significantly more important than any other media for promotion; followed by Social media which is significantly more important than Newspaper ads, Hoardings, Property fairs, TV ads, and Pamphlets, in the decreasing level of importance .

6. Limitations and future scope

1. The study was conducted in only one city Pune which may not represent the all-India picture; as such the study needs to be conducted in at least 10-12 cities spread in various states to provide an all-India perspective.

2. The study was based on the top 7 media types with a combined weight 90%; future study may include all the 16 types of media identified.
3. Further studies could be conducted to find out - the correlation of Brand building with spending on various media for promotion, home buyers are to be surveyed to find out their Brand awareness with respect to advertisements through various media options.

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