

A STUDY ON THE IMPACT OF ONLINE MARKETING ON INDIAN REAL ESTATE BUSINESS

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Abstract - This paper focuses on the impact of online marketing on the Indian real estate business. In this paper, authors have explored how online marketing has transformed the real estate business and what is its impact on well-established firms who now face fierce competition from Internet-based entrants with focused offerings. Specifically, the authors have carried out the study on retail brokerage sector where the introduction of online brokerages and the availability of information from alternate sources have challenged the dominance of offline brokerage system.

Key Words: Digital Marketing; Real Estate in India; Brokerage System; Real Estate Digital Marketing; PMAY

1. INTRODUCTION

In this study, the authors have tried to understand what are the different impacts of online marketing revolution on the Indian Real Estate Sector and the intensity of this impact on the Real Estate Business. Further how online marketing has affected the profession of those involved in the real estate business. This study covers the impact of online marketing on the customers as well and how the purchasing behavior has been affected by the same.

2. LITERATURE REVIEW

The real estate sector is one of the most recognized sectors across the globe. In India, real estate is the second largest employee firm after agriculture that is expected to grow by 30 percent in next 10 years (*Press releases, JLL India, 2016*). The real estate comprises of four sub-sectors –retail, commercial, hospitality, and housing. The growth in this sector depends on the demand of the corporate environment that covers urban as well as suburban areas for accommodation.

The housing sector in Indian real estate market is the major market contributing 5 to 6 percent of the country's GDP. A total of 14,27,490 new houses in six Indian states were sanctioned by the Ministry of Housing and Urban Affairs, Government of India under the Pradhan Mantri Awas Yojana, Urban (PMAY) caters to push affordable housing schemes across urban areas of the country. Areas, for example, IT, retails, counseling and internet business exhibit an appeal for office space as of late. The workplace space request in the main eight urban areas added up to 34 million square feet with Bengaluru recording the most astounding net assimilation amid the year decade (KPMG, Ministry of Tourism, and December 2017). Mumbai is the best city in India for business land speculation with significant yields of

12 to 19 percent likely in the coming five years, trailed by Bengaluru and Delhi (KPMG, CBRE, December 2017).

3. ONLINE MARKETING OF REAL ESTATE IN INDIA

The real estate sector is highly competitive, acquiring and maintaining the lead position in the competition and has become crucial for all players in the sector. The connection of marketing efforts with sales conversions is the biggest concern in the industry. Real estate is one of the most unorganized sectors in India; there is a lot scope for improvement to make it more organized using digital technologies. Currently, most of the developers are using search advertising, property portal listings, banner advertising, social media advertising, content marketing, video marketing, experiential marketing using Virtual reality, etc. Latest trends include- content marketing, video marketing, assisted buying in an e-commerce model, sales, and marketing automation.

4. IMPACT OF ONLINE MARKETING ON CONVENTIONAL BROKERAGE SYSTEM

There has been a phenomenal increase in online property sales. With a consistent rise in leads, the online medium has increased the percent of residential sales. The trend of online sales of property is set to increase by 10 to 15 percent more with respect to present. (YADAV, G. Aug 2015). Large developers are using digital platforms on the experimental basis and the results are already apparent on the profitable side. The cost of acquisition could move below even 50% if inventory sales on online domain go on increasing at the current rate. Online portals are helping to increase the buyer's recall value of properties finally increasing the overall sales. Also, B2B business transactions are being assisted by online portals.

In large metro cities and emerging ones, where most of the real estate development is taking place, digital marketing plays a fitting role in the business transaction in real estate market. Conventional modes of advertisements lack the immediate drafting facility offered by internet media. Moreover, digital ads are cost-effective compared to newspaper and television advertisements.

Offline brokerage system uses bundle trade execution comprising of investment services and research, while the online process focuses on trade execution through interfaces which are easy to use and can link individual investors to the trading venues. The lower commissions of online brokers and the huge amount of financial information available online will enable the investors to conduct their

own research which in turn would drastically reduce the appeal of the offline brokers' offerings of research and trade execution. The online process is widely approached because of its affordable trade execution which the investors find attractive, stimulating the growth of the "self-directed" market segment for brokerage services. Thus, online brokers have become primary choice of investors; due to their significantly lower commission charges.

5. ADVANTAGES OF ONLINE MARKETING IN INDIAN REAL ESTATE

Convenience is one of the major advantages of online marketing of Real Estate. Most of the people find using the Internet to be more convenient and thorough than more traditional methods. While looking for a real estate agent, a potential buyer may find you and then look more closely to search for reviews or any relatable information.

A huge number of Audiences can be reached easily using internet ads rather than ads in a phone book or on a bus stop bench. The online marketing allows overcoming distance barrier. It is easy to sell in any part of the country without setting up local outlets, widening the target market. Cost of marketing online is frequently less expensive than more traditional marketing methods.

6. DISADVANTAGES OF ONLINE MARKETING IN INDIAN REAL ESTATE

While online browsing of real estate buying and selling it is not possible to observe customer reaction and adjust search parameters. A broker-agent can Convince buyers to submit an offer and help them navigate through the negotiation process and convince a client to sign and close. All these processes are difficult when taking the online approach.

The obstacle is that finding a home is as much an emotional decision as it is quantitative. Individuals have unique utility functions; they may be able to figure out all components but may become vulnerable to irrational decisions in the heat of the moment. A skilled broker agent carefully re-evaluates the search during their interactions through a series of clear-cut questions, inert observations, and deducing to revealed preferences. The agent decides whether to make adjustments to the search, or in unfavorable cases, politely cease to work with the client.

7. GROWING TRENDS IN ONLINE MARKETING OF REAL ESTATE

Real estate sector is a continuously evolving sector. Some of the major trends are:

7.1 Mobile Service

According to the recent surveys on consumer behavior, purchases made on mobile devices are dominating over laptops and computers. Most of the people are doing business on their smartphones to increase versatility and time efficiency

7.2 Online Apps

There's an app for everything today. Not having an app for business, might lead the company to losing end. Real estate companies are making a lot of money using all-encompassing real estate apps

7.3 Search Engines

As of now, Google is considered as the only credible search engine, but studies show that Bing and Yahoo maintained a steady search market share

7.4 The Rise of Social Media

Digital media is growing bigger with each successive day and they have claimed a position for themselves that cannot be pushed aside. Social media has been successfully making millions of people join every day. Social media platforms such as LinkedIn, Twitter, Facebook, Instagram, or Google+, having billions of active users combined every day

7.5 The Growth of Inbound Marketing

In today' time, the Inbound Marketing is drawing attention and engagement through its unique style. Inbound marketing works through regular posting interesting material on social media, sharing videos, photos, and updating blogs. It can be used to leverage inexpensive marketing approach in order to draw in home buyers.

8. CONCLUSION

It can be concluded that in the current scenario there exists a great competition between online and offline agencies as the factors covering in real estate investments and deals are fulfilling efficiently by both the agencies (offline and online). But if the online agencies improve in their financial data which is over the online portals and website, extend their boundaries over current vicinity and enhance the customer relationship management along with improvement in an advertisement for properties and deal they can definitely gain more profit and achieve more target audience as compared to offline agencies in near future.

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