



EMPLOYEE'S PERCEPTION ABOUT MARKETING STRATEGIES ADOPTED BY REAL ESTATE DEVELOPERS IN PUNE

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Abstract

The growth of real estate industry is directly connected to the development in entertainment (cinema theatres, resorts, hotels), industries, retail, hospitality, information technology and IT enabled services (such as call centres), economic services (schools, hospitals), other industries and vice versa. The research study is descriptive in nature as it aimed to evaluate employee's perceptions about Marketing Strategies based on product and price and the number of employees employed in their organization. A sample of 140 employees has been considered in the study and they have been working with real estate developers in Pune. The developers in Pune are functioning as a different type of entity and are having varied number of employees. The data has been collected through a structured questionnaire and the questions are based on Marketing Strategies based on product and price as adopted by the real estate developers in Pune. The data collected has been analyzed further using ANOVA for testing of hypothesis.

Keywords: real estate, marketing strategies, ANOVA, employee's perception

1. Introduction

Real estate industry has assumed great prominence with liberalization of economy. There has been labour migration and business opportunities in the real estate business in our country. The infrastructure is being developed through the construction and real estate sectors. They play a very important role in developing the infrastructure of the country. After agriculture, real estate and construction industry can be regarded as the employment generators. It is having a forward and backward link with the ancillary industries. In India, real estate industry contributed 9% approx. towards GDP during 2003 to 2008 (D'Souza, 2010). The growth of real estate industry is directly connected to the development in entertainment (cinema theatres, resorts, hotels), industries, retail, hospitality, information technology and IT enabled services (such as call centres), economic services (schools, hospitals), other industries and vice versa.

There is existence of small players which deal in real estate in their own regions. These players are not having much experience and their expertise is quite low. The regional players do not have much financial resources. This sector is not getting any benefit from the institutions for finance. They generally take help from the high net-worth individuals or other sources of finance which are informal. This has resulted in lower transparency level. The people try to invest in real estate, but they find it difficult as the prices of real estate are increasing to a great extent. The consumers expect a good quality in real estate and there is an increase in integration with global economy.

1.1 Marketing strategies adopted by Indian real estate developers

There are different marketing strategies which have been adopted by different companies in the real estate industry. Brand management and consumer marketing plays a very important role in creation of affinity-based brand. With marketing strategies which are market focused, consumer centric and well-planned, it becomes easy to build a brand which could develop sustainable competitive advantage.

The developers could not hope much to create a product which is perfect as per the real estate market. An analysis needs to be done by the developers so as to evaluate the market trend and it is important to identify the target audience. With the help of survey, the developers will be able to find the users



who are interested in their projects or even they could work upon the feedback provided by the buyers and accordingly modify any changes in the construction if possible. The feedback could be applied even when they are working upon the next project. The developers should take feedback positively. A few marketing strategies which are being used by real estate developers have been mentioned below:

- (1) **Branded property portfolio**
- (2) **Consumer feedback and engagement**
- (3) **Product Development**
- (4) **Digital marketing**
- (5) **Employing new-age tech tools**
- (5) **Employing new-age tech tools**
- (6) **Personalized and customized offerings**

2. Review of Literature

Barthwal & Singh (2013) indicated real estate industry has strong effect on economy and it helps in driving economic growth. Scenario has changed a lot in the real estate industry. The economy is facing liberalization and it has brought changes in every sector. Real estate industry had roller coaster ride in the year 2005. Real estate industry reached higher in their business during 2007 and later there has been reduction in development and also foreign investment reduced to a great extent. This study can be connected with history of real estate industry and there have been many challenges in the industry. Nasar & Manoj (2013) discussed about various behavioural factors that have an influence on the investors who invest in real estate. This particular study has revealed that the developers and brokers engaged in real estate are motivating the customers to invest in real estate. The behaviour of the investors is changing and the developers are making changes in their marketing strategy for promoting their projects to the customers.

Bony & Rahman (2014) have mentioned in the study that real estate is considered to be an important business of providing the basic needs of human beings. Every individual need a house which could provide them shelter. The urban population is very keen to buy property for their future. Properties are added by people for future as it would add on to their investment value. The study also indicated that Bangladesh has shown an annual growth of 5 – 6 percent. Such an increase has changed with time and more people are demanding for more properties for them which could fetch them with better returns.

3. Objectives of the study

- To understand general marketing strategies adopted by Indian real estate developers
- To evaluate the employee's perception about Marketing Strategies adopted by real estate developers based on product
- To evaluate the employee's perception about Marketing Strategies adopted by real estate developers based on price

4. Hypothesis of the study

H₀₁ - There is no significant association between employee's perceptions about Marketing Strategies based on product and the number of employees employed in their organization

H₁₁ - There is a significant association between employee's perceptions about Marketing Strategies based on product and the number of employees employed in their organization

H₀₂ - There is no significant association between employee's perceptions about Marketing Strategies based on price and the number of employees employed in their organization

H₁₂ - There is no significant association between employee's perceptions about Marketing Strategies based on price and the number of employees employed in their organization

5. Research Methodology

The research study is descriptive in nature as it aimed to evaluate employee's perceptions about Marketing Strategies based on product and price and the number of employees employed in their organization. A sample of 140 employees has been considered in the study and they have been working with real estate developers in Pune. The developers in Pune are functioning as a different type of entity and are having varied number of employees. The data has been collected through a structured questionnaire and the questions are based on Marketing Strategies based on product and price as adopted by the real estate developers in Pune. The data collected has been analyzed further using ANOVA for testing of hypothesis.

6. Data Analysis

6.1 Reliability analysis

6.2 Demographic profile of employees working with developers

1. Number of Employees

Table 6.1 Number of employees

	Number_of_employees			
	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 4	4	2.9	2.9	2.9
4 - 8	15	10.7	10.7	13.6
Valid 8 - 12	39	27.9	27.9	41.4
More than 12	82	58.6	58.6	100.0
Total	140	100.0	100.0	

The real estate developers in Pune have different number of employees. Majority developers have more than 12 employees i.e. 58.6%. The developers develop their own marketing strategy so as to promote their projects as required by the customers. The customers invest in property when they are convinced with the structure, cost and other features of property. The developers should make an attempt to evaluate the demand of the customers related to the location and other facilities and accordingly they need to move ahead with their project.

2. Establishment type

Table 6.2 Establishment type of the developers

	Establishment_type			
	Frequency	Percent	Valid Percent	Cumulative Percent
Proprietorship firm	22	15.7	15.7	15.7
Partnership firm	9	6.4	6.4	22.1
Valid Private Limited Company	97	69.3	69.3	91.4
Public Limited Company	12	8.6	8.6	100.0
Total	140	100.0	100.0	

The above is the description about the establishment type of the developers. Majority employees are working with real estate developers who are working as a Private Limited company i.e. 69.3%. The establishment type varies and the strategies as well as functioning of the company also change. The marketing strategies of the developers also modify with time. The developers keep an eye on the

demands of the customers and accordingly they keep on modifying the way they market their projects and also other facilities which are being provided.

6.3 Organization’s perception about Marketing Strategies based on product

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Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Products/ services are suitable and appropriate in current market	140	1	3	1.34	.560
Demand for residential property change in the economic environment	140	1	4	1.56	.681
Real estate market in Pune is driven by investors	140	1	4	2.09	.993
Customers need to visit many times before booking	140	1	4	1.91	.800
Real estate market in Pune driven by end-user	140	1	4	2.02	.818
Valid N (listwise)	140				

The highest mean is for “Real estate market in Pune is driven by investors” which means that more people have agreed with the Marketing Strategies based on product i.e. 2.09. The lowest mean is for “Products/ services are suitable and appropriate in current market” i.e. 1.34 which means more employees were strongly agreed with this Marketing Strategy based on product. The lowest standard deviation is of “Products/ services are suitable and appropriate in current market” which indicates lesser variation in the response and the highest standard deviation is of “Real estate market in Pune is driven by investors” which indicates more variation in the response.

6.4 Organization’s perception about Marketing Strategies based on price

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Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Customers find price quoted by the company quite reasonable	140	1	4	1.88	.844
Increase in home loan interest rate would lead to decrease in sales	140	1	4	1.96	.748
Real Estate Developers could charge interest to the customers when payments are delayed	140	1	4	1.96	.776
Bank finance is important for the Customers.	140	1	3	1.56	.649
Real Estate Developers would provide interest to customers when possession is delayed	140	1	4	2.01	.877
Valid N (listwise)	140				

The highest mean is for “Real Estate Developers would provide interest to customers when possession is delayed” which means that more people have agreed with the Marketing Strategies based on product



i.e. 2.01. The lowest mean is for “Bank finance is important for the Customers” i.e. 1.56 which means more employees were strongly agreed with this Marketing Strategy based on product. The lowest standard deviation is of “Bank finance is important for the Customers” which indicates lesser variation in the response and the highest standard deviation is of “Real Estate Developers would provide interest to customers when possession is delayed” which indicates more variation in the response.

6.5 Testing of Hypothesis

H₀₁ - There is no significant association between employee’s perceptions about Marketing Strategies based on product and the number of employees employed in their organization

H₁₁ - There is a significant association between employee’s perceptions about Marketing Strategies based on product and the number of employees employed in their organization

The above hypothesis has been tested using ANOVA. ANOVA has been applied for finding out the association between employee’s perceptions about Marketing Strategies based on product and the number of employees employed in their organization. The number of employees are divided into four groups hence ANOVA has been applied.

ANOVA

Product

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.718	3	3.906	4.241	.007
Within Groups	125.253	136	.921		
Total	136.971	139			

The above result indicates the significant value as 0.007 which is less than 0.05 (at 5% significant level), it indicates that the null hypothesis has been rejected i.e. H₀₁ - There is no significant association between employee’s perceptions about Marketing Strategies based on product and the number of employees employed in their organization and the alternate hypothesis has been accepted i.e. H₁₁ - There is a significant association between employee’s perceptions about Marketing Strategies based on product and the number of employees employed in their organization. The more the number of employees in the organization, it could have an impact on the marketing strategy adopted by the developers. The employees could together plan a new strategy for marketing their project.

H₀₂ - There is no significant association between employee’s perceptions about Marketing Strategies based on price and the number of employees employed in their organization

H₁₂ - There is no significant association between employee’s perceptions about Marketing Strategies based on price and the number of employees employed in their organization

The above hypothesis has been tested using ANOVA. ANOVA has been applied for finding out the association between employee’s perceptions about Marketing Strategies based on price and the number of employees employed in their organization. The number of employees are divided into four groups hence ANOVA has been applied.

ANOVA

Price

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	14.734	3	4.911	5.375	.002
Within Groups	124.259	136	.914		



Total	138.993	139			
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The above result indicates the significant value as 0.007 which is less than 0.05 (at 5% significant level), it indicates that the null hypothesis has been rejected i.e. H_{02} - There is no significant association between employee's perceptions about Marketing Strategies based on price and the number of employees employed in their organization and the alternate hypothesis has been accepted i.e. H_{12} - There is no significant association between employee's perceptions about Marketing Strategies based on price and the number of employees employed in their organization. The marketing strategies are planned by the employees. The price of the property also has an impact on the choice of the investors. There are many customers those who are not willing to buy a property at a higher price as they could not afford or they even could not take a loan for buying a property as their price is high.

7. Findings

- The developers develop their own marketing strategy so as to promote their projects as required by the customers.
- The customers invest in property when they are convinced with the structure, cost and other features of property.
- The developers should make an attempt to evaluate the demand of the customers related to the location and other facilities and accordingly they need to move ahead with their project.
- The establishment type varies and the strategies as well as functioning of the company also change. The marketing strategies of the developers also modify with time.
- The developers keep an eye on the demands of the customers and accordingly they keep on modifying the way they market their projects and also other facilities which are being provided.
- The highest mean is for "Real estate market in Pune is driven by investors" which means that more people have agreed with the Marketing Strategies based on product.
- The lowest mean is for "Products/ services are suitable and appropriate in current market" which means more employees were strongly agreed with this Marketing Strategy based on product.
- The lowest standard deviation is of "Products/ services are suitable and appropriate in current market" which indicates lesser variation in the response.
- The highest standard deviation is of "Real estate market in Pune is driven by investors" which indicates more variation in the response.
- The highest mean is for "Real Estate Developers would provide interest to customers when possession is delayed" which means that more people have agreed with the Marketing Strategies based on product.
- The lowest mean is for "Bank finance is important for the Customers" which means more employees were strongly agreed with this Marketing Strategy based on product.
- The lowest standard deviation is of "Bank finance is important for the Customers" which indicates lesser variation in the response.
- The highest standard deviation is of "Real Estate Developers would provide interest to customers when possession is delayed" which indicates more variation in the response.
- There is a significant association between employee's perceptions about Marketing Strategies based on product and the number of employees employed in their organization.
- There is no significant association between employee's perceptions about Marketing Strategies based on price and the number of employees employed in their organization

8. Conclusion

After agriculture, real estate and construction industry can be regarded as the employment generators. It is having a forward and backward link with the ancillary industries. In India, real estate industry



contributed 9% approx. towards GDP during 2003 to 2008. This sector is not getting any benefit from the institutions for finance. They generally take help from the high net-worth individuals or other sources of finance which are informal. This has resulted in lower transparency level. The people try to invest in real estate, but they find it difficult as the prices of real estate are increasing to a great extent. The consumers expect a good quality in real estate and there is an increase in integration with global economy. The developers started planning for residential projects in different cities and they saw a hike in the income of the middle income group for attracting potential buyers. There was an increase in demand for houses since global economy brought back the confidence of the home buyers since the interest rates became low. The end-users who had stopped thinking about buying houses since there was an issue of affordability and also uncertainties associated with job, they are also started booking houses. There are different marketing strategies which have been adopted by different companies in the real estate industry. Brand management and consumer marketing plays a very important role in creation of affinity-based brand. With marketing strategies which are market focused, consumer centric and well-planned, it becomes easy to build a brand which could develop sustainable competitive advantage.

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