

## EFFECTIVENESS OF PROMOTIONAL STRATEGIES ADOPTED IN REALITY SECTOR ON CONSUMER BUYING BEHAVIOUR

P. Bhandare<sup>1</sup> and R. Nath<sup>2</sup>

<sup>1</sup>RMD Sinhgad School of Management Studies, Warje, Pune

<sup>2</sup>Sinhgad Institute of Business Administration and Computer Application, Lonavala  
pradnyab.26@gmail.com, reenath29@gmail.com

### ABSTRACT

*The Real Estate Investment Trust (REIT) platform, which will allow all types of investors to invest in the Indian real estate market, has been approved by the Securities and Exchange Board of India (SEBI). In the ensuing years, it would produce a market opportunity in India worth Rs. 1.25 trillion (US\$ 19.65 billion). Indian real estate developers have changed tactics and embraced new challenges in response to a consumer base that is becoming more aware and keeping in mind the impact of globalisation. The transition from family-owned to professionally managed firms has been the most obvious change. The objective of this research paper is to study the effectiveness of promotional strategies adopted in reality sector on Consumer Buying Behaviour. The researcher has collected the data from 150 respondents using survey method with the help of well-structured questionnaire. The researcher identified that descriptive research design and Non probability convenience sampling method is suitable for the research study. The findings of this study will be useful to reality sector companies to sustain in the competitive world.*

**Keywords:** Reality sector, Housing property, Consumer buying behaviour, Promotional tools, Advertising etc.

### Introduction

One of the industries with the highest international recognition is real estate. Housing, retail, hospitality, and commercial are its four subsectors. The expansion of the business environment and the demand for office space, as well as for housing in urban and semi-urban areas, are excellent complements to the growth of this sector. In terms of the direct, indirect, and induced effects on all areas of the economy, the construction industry comes in third among the 14 key industries.

After the agricultural sector, the real estate industry in India is the second largest employer. Additionally, greater non-resident Indian (NRI) investment is anticipated in this industry over the long and short terms. From Rs. 12,000 crore (US\$1.72 billion) in 2019 to Rs. 65,000 crore (US\$9.30 billion) in 2040, the real estate market will increase. In India, the real estate market is anticipated to grow to US\$ 1 trillion in size by 2030 from US\$ 200 billion in 2021 and to account for 13% of GDP by 2025. Significant growth is also being seen in retail, hospitality, and commercial real estate, which is essential infrastructure for India's expanding demands.



Promotion is a crucial component and a powerful tool used by companies of all sizes to raise awareness and influence customers to purchase the goods and services on offer. Without effective promotion, business would stall and it would be challenging to turn a profit due to limited market exposure. The part of decision-making that deals with selecting the best combination of advertising, sales promotion, personal selling, and publicity for a company's target market communications.

The study of people, groups, or organisations and all the behaviours connected to the acquisition, consumption, and disposal of products and services is known as consumer behaviour. Consumer behaviour refers to how a person's feelings, attitudes, and preferences influence their purchasing decisions.

### Literature Review

G.S. Sharma, (2013), in their research paper entitled "Risk and return in European property markets: an empirical investigation" This paper will examine total returns, income, and capital gains in various Indian real estate markets. The nature of returns for various commercial and residential properties is looked into in a comparative study. This distinguishes between total returns, income returns, and capital growth. The research also analyses the risk-return relationships among the various markets and looks at the interactions of local financial markets, real estate markets, and macroeconomic variables. The Sharpe ratio is used as a risk-adjusted performance measure to research the European markets, focusing on the risk-return relationships of the various asset classes and nations.

W. Bhatt, (2013), in their research paper entitled "A different look on risks by property investments" This paper attempts to focus on three aspects of the theory surrounding property investment hazards: the management risk is not taken into consideration; the assumption that the market risk is constant; and the regularity of the dampening of the specific risks with an increase in the number of investments. Instead of the two risk factors mentioned, the risk profile contains three risk factors: specific risk, which depends on unique individual investment factors; management risk, which reflects a problem with the

investor's organization's ability to exercise control; and systematic risk, which depends on local level distinction. Although not always, the estimates do demonstrate the benefits of variety. It relies on the sequence in which the assets connected to the various risks are added. James A. Graaskamp, (2014), in his article "Fundamentals of Real Estate Development", they observe that - three key groups are involved in the development of real estate: the consumer group, the production group, and the public infrastructure group. The fact that each group has a cash cycle enterprise that must be viable in order to thrive is cited as a significant limitation shared by all groups. The research process, which ensures that the development product meets as closely as feasible the needs of the renter or purchaser, the ideals of the politically engaged collective consumers, and the land use or ethic of society, is concluded to be the best risk management tool for the production group.

K. Saratbhai, (2015), in their research paper entitled "Future Directions in Real Estate Research" discusses the effectiveness of real estate markets, valuation concerns, the cost of contract contingencies, prices and price fixing, and the agency industry. It also discusses how real estate has performed as an investment. concludes that there is a growing list of research questions and a great deal of interest in the potential solutions from the public and business sectors.

I. Singh (2018), in his research paper entitled "A Study of Consumer Behaviour in Real Estate Sector" The study concluded that consumer have become very much decision maker they took into consideration so many aspects like the brand of the developer, price of the property, location of the property, future expectations of the property. Income level of the buyer plays an important role in buying decision.

### Research Methodology

#### Objectives of the study

- To study the various promotional tools adopted by real estate companies to attract customers.
- To study the effectiveness of promotional tools adopted by real estate companies on consumer buying behaviour of housing property.

- To study the effectiveness offactors highlighted in promotional tools on consumer buying behaviour of housing property.

**Hypothesis of the Study**

H1: Promotional tools are having impact on consumer buying behaviour of housing property.

**Research Design**

- Type of research design: Descriptive research
- Sample method: Non probability convenient sampling
- Sample size: 150
- Data collection method: Questionnaire
- Data collection and interpretation: Primary & secondary data.
- Data analysis tool: SPSS

**Sampling**

Researcher has collected the data from 150 respondents with the help of non-probability convenience sampling method.

**Reliability and Validity**

The researcher has carried out reliability test using SPSS. The Cronbach’s Alpha identified is 0.760, and it is more than 0.700, that’s why the Questionnaire is measured to be reliable. The researcher has used face validity and content validity and confirmed that this research tool is valid for the study.

**Primary data**

Data used in research originally obtained through the direct efforts of the researcher through surveys, interviews and direct

observation. Primary data is collected through Questionnaire by distributing questionnaires to the respondents.

**Secondary data**

Secondary data is information that has already been collected for a purpose other than your current research project but has some relevance and utility for your research. The researcher has collected secondary data through magazines, newspapers etc.

**Scope of the study**

The present study is related to the customers opinion about promotional tools adopted in reality sector on their buying behaviour of housing property. In this study only housing property is considered and commercial outlets, land property is not included. The study is conducted only in Pune city.

**Data Analysis**

Measurement tool – Rating Scale

1- Very less effective, 2- Less effective, 3- Neutral, 4- Effective, Highly effective

Table No. 1 Effectiveness of Advertising on Consumer Buying Behaviour of housing property

Advertising	Mean
Advertising on T.V.	3.2
Advertising on radio	2.1
Advertising on the Internet	4.2
Advertising in newspapers	3.4
Advertising on Outdoor Hoardings	3.6
Advertising on brochures and booklets	3.3
Average Mean	3.3

Graph No. 1 Effectiveness of Advertising on Consumer Buying Behaviour of housing property

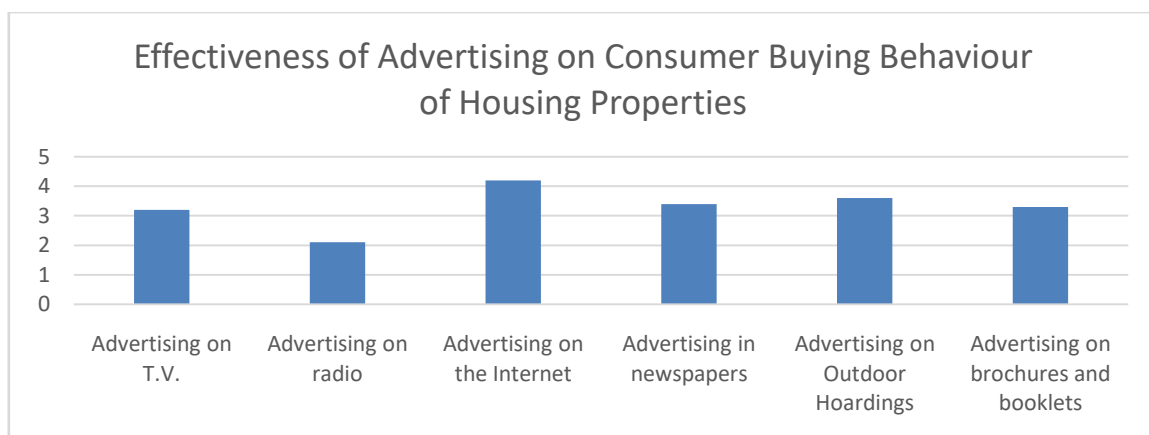


Table No. 2 Effectiveness of Sales Promotional tools on Consumer Buying Behaviour of housing property

Sales Promotion	Mean
Contests	2.4
Coupons	2.4
Prizes	2.2
Gifts	3.1
Offers	4.2
Average Mean	2.86

Graph No. 2 Effectiveness of Sales Promotional tools on Consumer Buying Behaviour of housing property

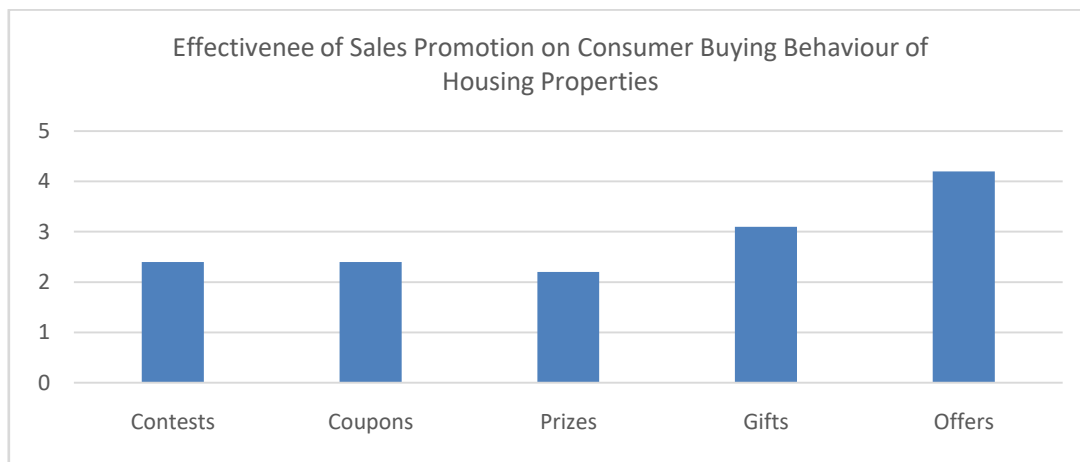


Table No. 3 Effectiveness of Direct Marketing on Consumer Buying Behaviour of housing property

Direct Marketing	Mean
Marketing through e-mail	3.1
Tele-marketing through SMS	2.7
Telecalling	3.9
Introducing company through existing customers to others	2.2
Average Mean	2.9

Graph No. 3 Effectiveness of Direct Marketing on Consumer Buying Behaviour of housing property

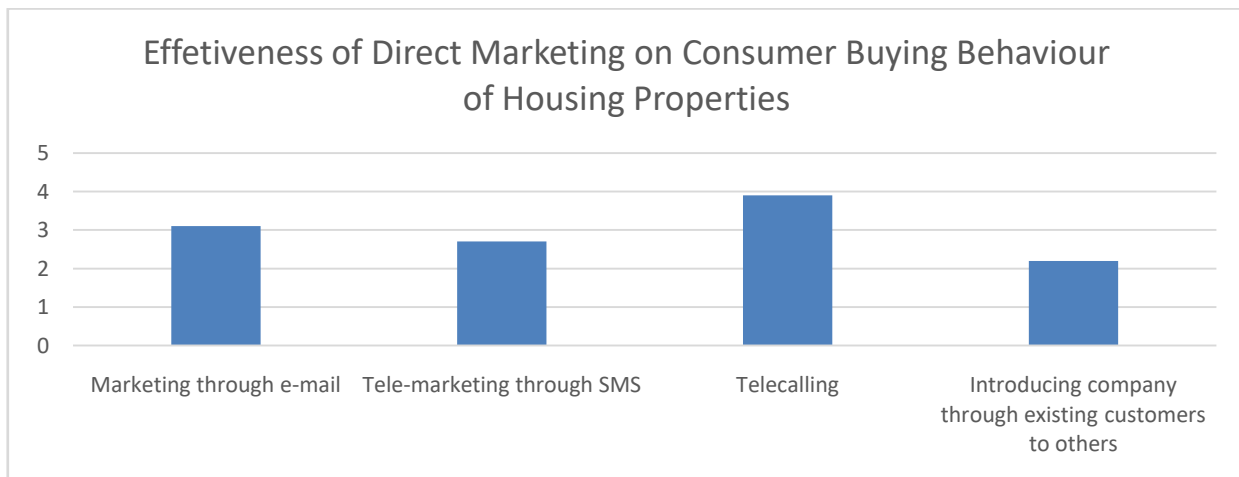


Table No. 4 Effectiveness of Public Relations on Consumer Buying Behaviour of housing property

Public Relations	Mean
Active participation in seminars/forums	1.2
Giving interviews to newspapers and mass media	1.3
Taking part in charities and making donations	1.5
Publishing weekly or monthly newsletters	2.2
Average Mean	1.55

Graph No. 4 Effectiveness of Public Relations on Consumer Buying Behaviour of housing property

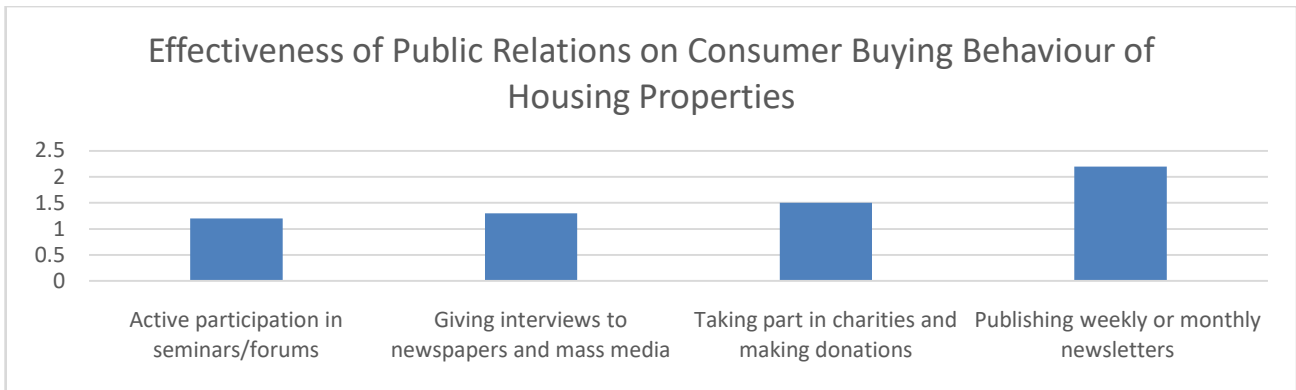


Table No. 5 Effectiveness of factors highlighted through promotional tools on Consumer Buying Behaviour of Housing Property

Factors	Mean
Brand Name	3.8
Project Quality	4.6
Space (Sq. ft.)	4.4
Amenities	3.9
Interior	3.8
Possession	3.8
Location	4.4
Price	4.8
Offers	3.9

Graph No. 5 Effectiveness of factors highlighted through promotional tools on Consumer Buying Behaviour of Housing Property

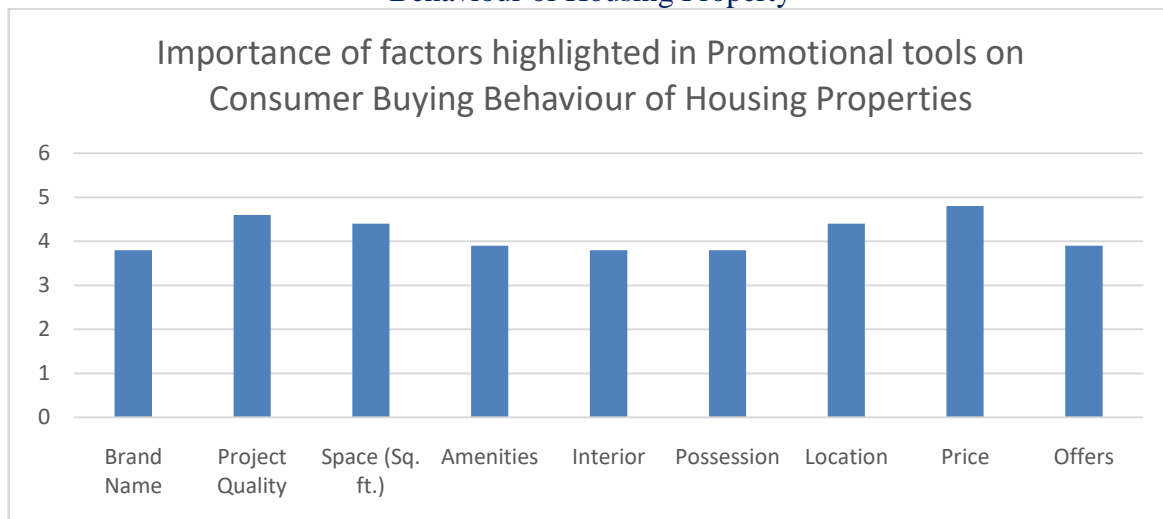
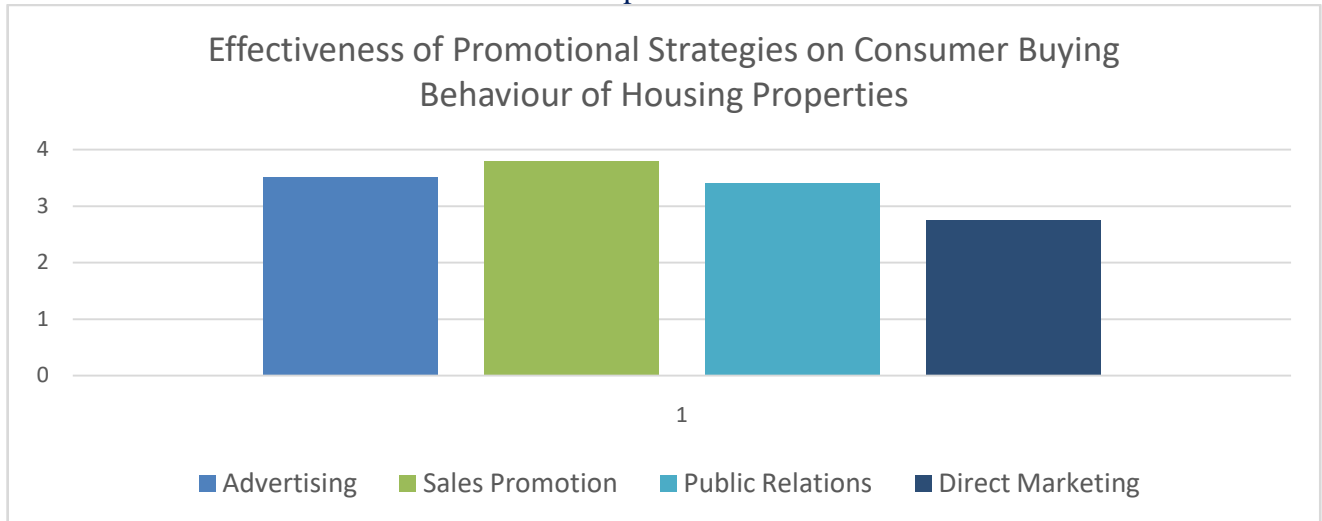


Table No. 6 Effectiveness of Promotional Strategies on Consumer Buying Behaviour of Housing Properties

Promotional Strategies	Mean
Advertising	3.51
Sales Promotion	3.8
Public Relations	3.41
Direct Marketing	2.75
Average Mean	3.38

Graph No. 6 Effectiveness of Promotional Strategies on Consumer Buying Behaviour of Housing Properties



**Hypothesis Testing**

- Null Hypothesis (H0): Promotional tools are not having impact on consumer buying behaviour of housing property.
- Alternative Hypothesis (Ha): Promotional tools are having impact on consumer buying behaviour of housing property.
- The researcher has tested the null hypothesis with the help of IBM SPSS 20. The researcher has applied Z test to check the null hypothesis. The P value identified is 0.01 which is less than 0.05 so the null hypothesis is rejected and alternative hypothesis is accepted at 5% level of significance.

**Findings**

- Promotional tools have influence on consumer buying behaviour of housing property as the average mean observed is 3.38.
- In all promotional tools sales promotion tools have more influence on consumer

buying behaviour of housing property as the average mean observed is 3.8.

- In Effectiveness of Advertising on Consumer Buying Behaviour of housing property advertising on internet have more impact as the mean observed is 4.2.
- Effectiveness of Sales Promotional tools on Consumer Buying Behaviour of housing property offers have more impact as the mean observed is 4.2.
- Effectiveness of Direct Marketing on Consumer Buying Behaviour of housing property
- Telemarketing have more impact as the mean observed is 3.9.
- Effectiveness of Public Relations on Consumer Buying Behaviour of housing property have very less impact.
- In Effectiveness of factors highlighted through promotional tools on Consumer Buying Behaviour of Housing Property price is the most important factor as the mean observed is 4.8.

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