



IMPACT OF DIGITAL ADVERTISEMENT ON REAL ESTATE SECTOR

Priya J U* Dr.K H Anil Kumar**

*Ph.D., Research Scholar, Bharathiyar University, Coimbatore.

**Associate Professor, Faculty of Management and Commerce, M S Ramaiah University.

Abstract

Digital technology continues to revolutionize media distribution – be it the rapid growth of DTH or the digital cable, or increased digitization, and this has enabled wider and cost effective reach across the world in diverse markets. There has been increased proliferation and consumption of digital media content through different media. Accordingly, online advertising spends have seen a spurt in growth viz-a-viz spends on traditional media. Internet Marketing utilizes the power of electronic commerce which refers to any market on the internet. The Indian real estate sector has come a long way and is today one of the fastest growing markets in the world. The total realty market in the country is expected to touch US\$ 180 billion by 2020. . Real estate in India has found new contrivance for marketing and pushing sales and revenues, called real estate digital marketing. Indian customers are excessively using Internet to search and research before buying high value item especially real estate. In India, when you have more than 200 million users online, which is the creamy layer of India's marketplace consisting of high-net-worth individuals to middle class and lower-middle class, and then no real estate company in India can afford to ignore Internet's role as a marketplace and marketing funnel. Now, real estate companies in India are exploiting digital marketing to reduce their marketing spends on traditional media, and enhance their outreach, effectiveness, and conversion rate. With such a major chunk of digital marketing through digital advertisements proves that real estate has approved its efficacy and relevance. This paper tries to attempt to see the importance of digital advertisement in real estate sector and its impact on the growth of that industry.

Key Words: Digital Advertisements, Traditional Media, Effectiveness, Conversion Rate.

Introduction

Digital advertising, on internet and mobile gadgets, has outpaced the traditional media advertising and for the first time in 2013 generated more advertising spending than television advertising. Digital advertising is believed to be an effective way to better target potential customers in the global market. Evidence shows that businesses have increasingly switched their advertising focus from traditional to digital media. While traditional media advertising still holds its ground, digital advertising offers more effectiveness for promoting companies products on these days. The marketers need to use more digital advertising in order to better target their customers, particularly the young customers. With the significant growth of internet usage, digital advertisements is found to expand its horizons. Few companies which have revolutionized the way with regard to the use of internet in the field of marketing are such as Google.com, Yahoo.com, Amazon.com, Alibaba.com and Youtube.com.

Real Estate: Going Digital

Digital: How do the real estate firms get it right? "Leverage maximum value at optimum cost from the channels where the customer is present" .Getting it Right Knowing which channels work best Localized channels work best: Social (Facebook, Google+ ...).

The term "real estate" is defined as land, including the air above it and the earth below it and any buildings or structures on it. Land plus anything permanently fixed to it, including buildings, sheds and other items attached to the structure. Although, media often refers to the "real estate market" from the perspective of residential living, real estate can be grouped into three broad categories based on its use: residential, commercial and industrial. Examples of real estate include undeveloped land, houses, condominiums, town homes, office buildings, retail store buildings and factories. At present, the real estate and construction sectors are playing a crucial role in the overall development of India's core infrastructure.

Statement of Problem

This study was an attempt to measure the impact of digital advertising on customers in the real estate residential market. In fact, this study helped to know the effectiveness of digital advertising on customers, the attitude of customers towards advertising and the relationships between the demographic character of customers and advertising strategies in the real estate market of Bangalore. In the process of the conversion of this actual problem faced by the customers in the real estate market into a research problem, the topic of the study was identified as impact of digital advertising on real estate sector.



Review of Literature

General Review on Advertising

Levy and Malaviya (1999)¹ indicated that effectiveness of advertising is "persuasion does not rest within advertising messages and it depends on certain mental processes that as ad recipient invokes".

Generally, advertising effectiveness is described as being "a hierarchy of effects" (Vakratas and Amber, 1999)². In the other word, changes of consumer perceptions by the information in the advertisement will lead to a change in their behaviors.

Gaffney (2001)³ noted that internet advertising is effective in generating sales. The content of the internet advertising is generally trusted by the consumer as compare to an advertisement in general.

In addition, Goldsmith and Lafferty (2002)⁴ found out that consumers are more likely to get the information from the internet advertising for example the phone number listed in the internet advertising before they make purchases. This proposed that internet advertising has the potential to facilitate sales.

Attitudes towards Advertising

Greyser and Bauer⁵ (1966) in their study titled, Americans and Advertising: Thirty Years of Public Opinion revealed remarkable stability in basic feelings about advertising and its major institutional elements over the past thirty years. Although there is a general paucity of data from which to generalize, opinions are examined in perspective on issues such as the public's general favorability toward advertising, advertising and the economy, advertising as a persuader, truth and standards of advertising and advertising's effect on prices.

Darrel and McCann⁶ (1993) have found that attitudes to the ad to be higher if it is more credible, evokes positive likable feelings, uses humor, uses relevant or liked music, sex appeal or other such execution devices, uses likable and attractive celebrities, contains useful information, but not too make it boring, contains information that is itself liked, and is placed in a media environment that itself is liked.

Effect of Advertising on Customers

Understanding how digital advertising affects customers involves an understanding of (i) the basic process by which advertising affects customers and leads to brand awareness, brand image, brand consideration, brand choice, and sales, (ii) how the effects of digital advertising are spread out over time, (iii) the role of different advertising media, how differentially efficient these vehicles are, how their interaction may lead to synergy effects, and (iv) the role and impact of competitive advertising.

Three types of effects are possible: (1) cognitive effects, (2) affective effects and (3) behavioral effects. Specific examples in these categories are "brand awareness" (cognitive), "brand positioning" (cognitive, affective), consideration-liking (affective), and "brand choice" (behavioral) respectively. The extent to which consumers who are exposed to advertising will go through these stages will depend on their ability and motivation to process this information and messages offered to them.

Media and Advertising

Although advertising does not give direct impact on buying behavior, it is an appropriate media to help a company sell its product. Furthermore, it builds a relationship between producers and consumers. It also helps a company to face tight competition.

As per the National Readership Survey (1981)⁸ the newspaper plays a prominent role in India with regard to the advertisements despite the spread of Radio and T. V. As per the survey national newspapers, particularly English language papers dominate the advertising area.

R.S.N. Pillai and Mrs. Bagavathy (1987)⁹ observe that the evolution of printing technology and the changes of the marketing policies have been greatly utilized and many are benefited from advertising. In their view increasing literacy, modern techniques of printing, stiff competition, etc. Are add to the necessity of advertisement. However, a mass medium such as the Web is multi-functional and consists not only of banners or pop-up window based online ads but other information or functions. Respondents may have a positive attitude toward the Web as a tool or medium, but a negative



attitude toward advertising on the Web. That is, a consumers attitude toward Web advertising may not be the same as his or her attitude toward the Web as a medium itself.

Advertising and Consumer Behavior

Advertisers have attempted to improve the sales of products by changing purchasing behavior, which involves changing traditional values and creating desires for new products. The dominance of foreign advertising means that expenditure is increasing on foreign products and consumers are purchasing more branded products than before.

Mamoria and R.L. Joshi's (1968)¹⁰ opinion an effective advertisement should be done strictly in the language of the customer and it should be interested at the right time in the right place and also in the right media. Moreover the advertisement should be communicated to the people on whom it is aimed.

Consumer Expectations

The concept of consumer expectations in the marketing literature has a rich theoretical and empirical history. Many researchers have done their studies in this subject area and come out with varied but related definitions. Cardozo (1965)¹¹ defined consumer expectations as guideline for product evaluations. Woodruff, Cadotte and Jenkins (1983)¹² described it as predictions of what will be received. Similarly, Oliver (1980)¹³ indicated that consumer expectations are "prediction make by consumers concerning what they believe will be the outcome of an exchange.

Scope of the Study

All the studies show that a lot of work has been done and is being done on the effect of advertising on consumer behavior but so far no attempt in this regard has been made specially in the area of digital advertising and that too in real estate sector with reference to Bangalore.

As Bangalore stands for the fourth position and the IT sector is playing a major role in making Bangalore an investor's haven. There is a huge demand for properties here due to the strong job market. This study aims at identifying the impact of digital advertising on the buying decisions for the real estate – residential and the factors affecting digital advertising.

Sometimes advertising does not include objective information because the primary function of commercial advertisements is to sell a product/service to the prospective buyer. Advertising as an institution and as a business and social process has the greater responsibility within the economic system of any country.

Advertisements also affect the knowledge by giving information, attitude, personality, lifestyles of the customers, and the culture of the customers. Companies when they are going for advertisements they can prefer the best media through which they can target the maximum potential customers. The concept of digital advertising makes it possible to involve the customers which greatly affect the buying decisions of the customers. So, keeping in view, scope of the study is limited to the analysis of impact of digital advertising on real estate residential sector with reference to Bangalore.

Objectives of the Study

The following objectives have been framed for the present study

- To study the impact of digital advertisements in real estate customer segment.
- To study the impact of digital advertisements on the purchase behavior of real estate customer.
- To know the real estate customers attitude towards digital advertising.
- To know the most effective medium of digital advertising.
- To suggest /recommend the future of digital advertisements in real estate sector.

Research Methodology

The study is based on both primary data and secondary data. The primary data was collected through structured questionnaire for which samples of 50 respondents were selected for this study. The collected samples using convenient sampling method was validated and took it for further analysis. Secondary data is also been collected from database sites and articles. The collected data were analyzed with the suitable tools like Z Test & Chi – Square tools with the following assumptions were made on the onset of the project.

Area of the Study

The respondents are randomly selected for this study.



Research Approach

Customer Survey and Questionnaires Method

Survey method is used for collecting data from consumers. Requested all respondents to fill in the questionnaire, by self after explaining the various aspects mentioned in it.

Sampling Technique A convenient sample (non – probability sampling method) of 50 consumers was shared up for the current study in which respondent of the study was request to complete the questionnaire on voluntary basis.

Sample Size the Size of the sample taken in this study is 50.

Research Instrument

The data is collected by well developed, structured five point Likert Scale is considered. All of the questionnaires were distributed among the respondents in the defined areas.

The questionnaire has been classified into two parts such as part I and part II. Part I explains the demographic details of the respondents. Part II explains the questions related to effectiveness of digital advertisement. Here the Likert scale has been considered which consists of 5 point scale where 5 as strongly disagree and 1 as strongly agrees. For the analysis of the responses, under the five point Likert Scale, it is defined as

- Strongly agree (1 point)
- Agree (2 point)
- No opinion (3 point)
- Disagree (4 point)
- Strongly disagree (5 point)

Tools

Frequencies and cross tabulation have been calculated for the responses of the respondents. Z Test and Chi – Square test analysis was conducted on the data of part II in questionnaire.

Analysis and Interpretation

1. To study the impact of digital advertisements in real estate customer segment.

Ho: $P = P_o$ There is impact of digital advertisements in real estate customer segment.

H₁: $P \neq P_o$ There is no impact of digital advertisements in real estate customer segment.

$P_o = 200/300$ $n = 50$

Sample proportion = $35/50$

The test statistics is given by,

$$Z = \frac{P - P_o}{\sqrt{P_o Q_o / n}}$$

$$Z = \frac{0.7 - 0.66}{\sqrt{0.66 * 0.34 / 50}} = 0.59$$

Ho is accepted and H₁ is rejected.

There is impact of digital advertisements in real estate customer segment.

2. To study the impact of digital advertisements on the purchase behavior of real estate customer.

Ho: $P = P_o$ There is impact of digital advertisements on the purchase behavior of real estate customer.

H₁: $P \neq P_o$ There is impact of digital advertisements on the purchase behavior of real estate customer.

$P_o = 250/300$ $n = 50$

Sample proportion = $40/50$

The test statistics is given by,

$$Z = \frac{P - P_o}{\sqrt{P_o Q_o / n}}$$

$$Z = \frac{0.8000 - 0.8333}{\sqrt{0.833 * 0.1667 / 50}} = 0.6319$$

Ho is accepted and H₁ is rejected.

There is impact of digital advertisements on the purchase behavior of real estate customer.

3. To know the real estate customers attitude towards digital advertising.

Ho: $P = P_o$ The real estate customers attitude agrees towards digital advertising.



$H_1: P = P_o$ The real estate customers attitude is not agree towards digital advertising.

$P_o = 250/300$ $n = 50$

Sample proportion = $45/50$

The test statistics is given by,

$Z = P - P_o / \sqrt{P_o Q_o / n}$

$Z = 0.9000 - 0.8333 / \sqrt{0.8333 * 0.1667 / 50}$
= 1.26

H_o is accepted and H_1 is rejected.

The real estate customer's attitude agrees towards digital advertising.

4. To know whether gender and digital advertisements are independent or dependent.

Contingency Table

Gender /Digital Advertisement	Agrees	Disagrees	Total
Male	16	16	32
Female	12	6	18
Total	28	22	50

H_o : The digital advertisement and gender are independent.

H_1 : The digital advertisement and gender are dependent.

$X^2 = N(ad-bc)^2 / (a+b)(c+d)(a+c)(b+d)$
= 1.29

The degree of freedom is 1

The critical value is 3.84

$X^2(\text{cal}) < X^2(\text{tab})$

$1.29 < 3.84$

So its H_o is accepted

The digital advertisement and gender are independent.

Conclusion

It's very clear that the impact of digital advertisements are having a greater significance with the respective customer segment and having a much influence with their purchase behaviour. The attitude towards the digital advertisement is also having a greater significance with respect to customers.

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