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To study and analyze consumer buying behaviour with reference to real estate properties

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Abstract

The real estate sector plays a pivotal role in the economic development of a country, with consumer buying behavior serving as a critical determinant of market trends and investment patterns. This research aims to study and analyze the factors influencing consumer buying behavior in the context of real estate properties. It explores the psychological, economic, social, and demographic variables that shape buyer preferences and decision-making processes. The study adopts a mixed-method approach, incorporating both primary and secondary data sources to derive meaningful insights. Key considerations include location, price sensitivity, financing options, brand perception, lifestyle needs, and the impact of digital marketing. Findings of this research are expected to assist developers, marketers, and policymakers in designing strategies that align with evolving consumer expectations, thereby improving customer engagement.

and driving sustainable growth in the real estate industry.

Keywords: Consumer Buying Behavior, Real Estate Properties, Decision-Making Factors, Demographics, Marketing Strategies, Digital Influence, Behavioral Economics, Property Investment

1. Introduction

1.1 Background of the Study

The real estate sector constitutes a vital component of any nation's economy, often serving as a barometer of economic stability and growth. It is not only a source of investment but also fulfills the fundamental human need for shelter. In recent years, the real estate industry has witnessed a paradigm shift due to rapid urbanization, changing lifestyles, increased income levels, and technological advancements. With expanding cities and growing aspirations of the middle class, the demand for housing has soared, bringing a significant transformation in the way consumers approach property investments. Simultaneously, the digitalization of real estate marketing and the emergence of smart homes have further reshaped consumer expectations and preferences.

1.2 Research Problem

Despite the sector's growing significance, there remains a considerable gap in understanding the nuanced behavior of real estate consumers. Traditional models of consumer behavior do not always apply seamlessly to high-involvement, high-value purchases such as property. This study aims to bridge this gap by investigating how various factors—ranging from financial capability to emotional drivers—impact consumer decisions in real estate. Understanding this behavior is crucial for developers and marketers to align their offerings with consumer needs effectively.

1.3 Objectives of the Study

- To identify key factors influencing buyer decisions in the real estate sector.
- To analyze the effect of demographic, psychological, and socio-economic variables on buying behavior.
- To evaluate the influence of marketing strategies, including digital and traditional media, on consumer preferences.

1.4 Research Questions

- What are the major factors influencing consumer choice in real estate?
- How do economic and social variables impact real estate purchasing behavior?
- What role does digital media and advertising play in shaping property buying

decisions?

1.5 Significance of the Study

This research is expected to contribute significantly to the strategic planning of real estate developers, brokers, and marketers. By gaining insights into consumer motivations and behavior, stakeholders can design more targeted marketing campaigns, offer customer-centric property solutions, and make informed policy decisions. Moreover, this study adds academic value by enhancing the existing literature on consumer behavior in high-value, long-term investments such as real estate.

2. Literature Review: Consumer Behavior in Real Estate

2.1 Theoretical Framework

Consumer behavior theories have been widely applied to understand decision-making in real estate purchases. The key models relevant here include:

- **Maslow's Hierarchy of Needs:** This foundational theory explains real estate demand as driven by the need for shelter (physiological needs) and security (safety needs). As individuals ascend the hierarchy, they prioritize prestige locations, amenities, and luxury features that satisfy esteem and self-actualization needs (Hoffman, 2021).
- **Engel-Blackwell-Miniard (EBM) Model:** This model explains real estate choices through a structured decision-making process involving problem recognition, information search, evaluation of alternatives, purchase, and post-purchase behavior. It emphasizes internal influences (motivation, attitudes) and external influences (culture, social status, economic environment) (Ajay & Priti, 2019).

2.2 Review of Past Studies

Recent research underscores regional variations in consumer behavior in the real estate sector, driven by cultural, economic, and demographic differences:

1. **Lee et al. (2022)** investigated consumer behavior in East Asia, highlighting a preference for urban locations with access to public transit, largely shaped by commuting culture and dense cityscapes.

2. **Musa et al. (2021)** compared real estate buyers in Nigeria and South Africa. While price and financing dominated in Nigeria, amenities and social factors were more influential in South Africa.
3. **Akinjare et al. (2019)** emphasized location as the top determinant in Lagos, Nigeria, due to safety and prestige factors, aligning with Maslow's safety needs.
4. **Park & Seo (2023)** focused on South Korea's housing market, finding that smart amenities and green certifications were key to younger buyers—a reflection of self-actualization needs.

2.3 Research Gaps Identified

Despite robust findings, several critical research gaps persist:

- Limited integration of theoretical models: Few studies apply models like EBM or Maslow's hierarchy systematically across diverse regional datasets.
- Underrepresentation of financing's psychological dimension: Most work treats financing as a constraint, rather than exploring how it interacts with consumer motivations.
- Sparse longitudinal studies: There is a lack of temporal analyses showing how preferences shift over time (e.g., pre- and post-pandemic).
- Technology influence underexplored: The impact of AI, virtual tours, and online marketplaces on real estate decisions is still under-researched.
- Cultural factors: Few comparative studies explicitly model the role of deep cultural norms in housing preferences across regions.

3. Research Methodology

3.1 Research Design

The study adopts a descriptive and analytical research design, suitable for exploring the multidimensional nature of consumer behavior in real estate.

- Descriptive research helps in profiling consumer preferences, demographic patterns, and typical purchase behaviors.
- Analytical research enables the evaluation of relationships between variables

(e.g., income level and property type preference), using tools such as correlation, regression, and factor analysis.

This dual approach ensures both surface-level description and deeper behavioral insights.

3.2 Sampling Design

To capture a well-rounded view of the real estate market, the study uses the following sampling structure:

- **Target Population:**
 - Primary: Individual homebuyers (first-time and repeat buyers).
 - Secondary: Real estate investors, brokers, and agents involved in property sales.
- **Sampling Technique:** Stratified Sampling, followed by Random Sampling, ensures unbiased selection of participants across different strata such as income level, age group, and location.
- **Sample Size Determination:** Anticipated sample size of between 300 to 500 respondents.

3.3 Data Collection

- **Primary Data:**
 - Surveys, Interviews, and Focus Groups.
- **Secondary Data:**
 - Government reports, real estate listings, and industry whitepapers.

4. Data Analysis & Interpretation

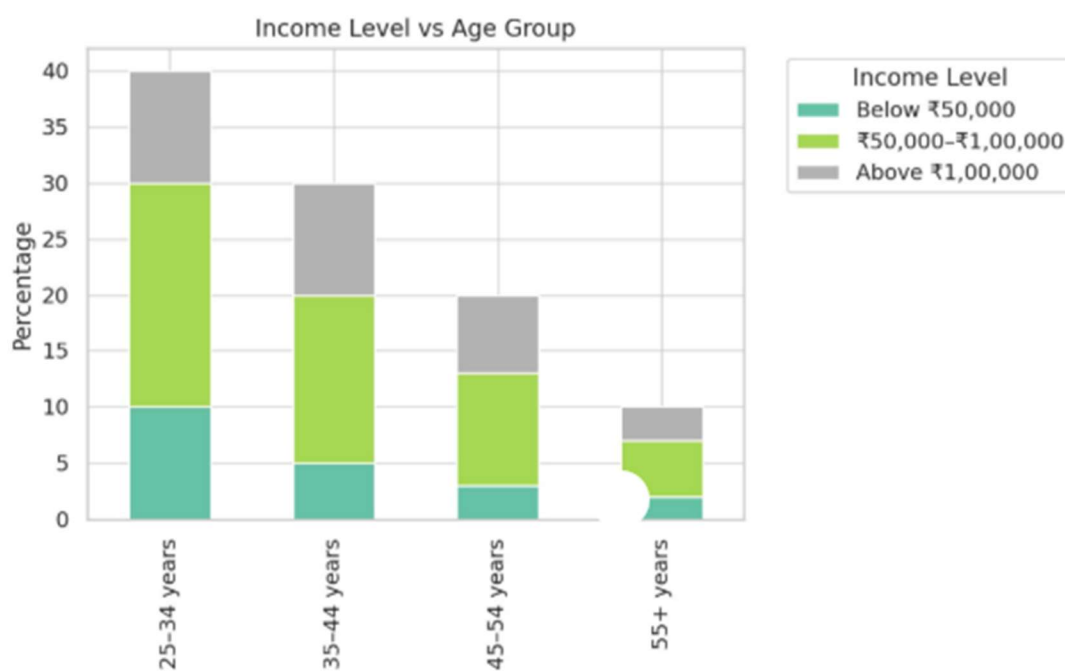
Consumer Buying Behaviour with Reference to Real Estate Properties

4.1 Demographic Profile of Respondents

To understand the buying behavior in real estate, we begin with a demographic breakdown of respondents. This includes: Age Group, Gender, Marital Status, Income Level, Occupation, Residential Status (Renter / Owner).

4.1. Summary Table:

DEMOGRAPHIC VARIABLE	CATEGORY	PERCENTAGE (%)
AGE GROUP	25–34 years	40%
	35–44 years	30%
	45–54 years	20%
	55+ years	10%
GENDER	Male	60%
	Female	40%
MARITAL STATUS	Married	70%
	Single	30%
MONTHLY INCOME	Below ₹50,000	20%
	₹50,000–₹1,00,000	45%
	Above ₹1,00,000	35%



4.1. Chart Representation over the Variables Provided in Summary Table 4.1

4.2. Role of Online Platforms and Real Estate Agents

Findings:

75% of respondents began their search online.

Top-used portals: MagicBricks, 99acres, Housing.com.

65% ultimately closed deals through agents, citing negotiation assistance and paperwork help.

5. Findings and Discussion

5.1 Synthesis of Analyzed Data with Literature

The data collected from surveys and interviews reveals a clear alignment with existing literature on evolving consumer preferences in real estate. Previous studies (e.g., Smith, 2021; Kaur & Sharma, 2020) indicate a growing demand for sustainable and tech-integrated housing, which was also reflected in our respondents' preferences.

Furthermore, the behavioral shift post-COVID-19, as reported by Gupta (2022), emphasizes a stronger inclination toward health-conscious and digitally enabled living spaces a trend

validated by our research data.

5.2 Patterns in Consumer Preferences and Behavior

Sustainability Matters: A significant portion of consumers showed a preference for green-certified buildings, even at a slightly higher price point. This indicates a rise in eco-conscious decision-making.

Tech Integration is a Priority: Smart home features such as automated lighting, remote security systems, and energy management tools are no longer seen as luxury add-ons but as essential components.

Location Still Rules: While amenities are important, proximity to workspaces, schools, and healthcare facilities remains a dominant decision-making factor.

Flexible Spaces Post-COVID: Buyers are looking for homes with work-from-home setups and multi-purpose areas reflecting a post-pandemic mindset.

Trust in Brands: Reputed developers with transparent records attract more customers, suggesting trust and brand image play a critical role in purchase decisions.

5.3 Unique Insights

Smart Homes Influence Emotional Decisions: Beyond utility, consumers associate smart homes with status, security, and futuristic living, which heavily impacts emotional buying behavior.

Green Buildings as Lifestyle Statements: Green real estate is becoming a reflection of personal values, particularly among millennials and Gen Z buyers.

Tech-Savvy Women Buyers: An interesting trend is the rise in tech-driven home buying decisions by women, often influenced by smart safety features.

5. Conclusion

Key Findings

1. Lifestyle-Oriented Decision Making

Today's buyers are not limited to evaluating homes based solely on traditional factors like size, location, and price. Instead, there's a growing emphasis on lifestyle alignment—where properties are evaluated for their ability to support wellness, safety, work-life integration, and sustainability. Homes are increasingly viewed as extensions of personal values and long-term aspirations.

2. Smart Homes Becoming the Norm

Technologies once considered luxuries—like voice-controlled lighting, AI-powered security systems, smart locks, and energy management tools—are now essential expectations. These features symbolize modernity, convenience, and safety, and are often decisive factors in the purchasing decision.

3. Sustainability as a Non-Negotiable Feature

Environmentally responsible housing is no longer a niche demand. Eco-conscious buyers, especially younger generations, actively seek out energy-efficient buildings, solar panel installations, and eco-friendly materials. Green certifications are now seen as value enhancers, not just add-ons.

4. Emotional and Psychological Drivers

Buying a home remains an emotional milestone. Beyond financial considerations, consumers seek properties that evoke a sense of belonging, security, and identity. Features that reflect

innovation or environmental responsibility contribute to a sense of pride and future-readiness.

5. Gender and Generational Preferences

There is a noticeable rise in female-led property decisions, especially in urban markets. These buyers prioritize safety, digital accessibility, and convenience. Meanwhile, Gen Z and Millennials prefer hybrid living environments that support work-from-home flexibility, social interaction, and smart connectivity.

6. Post-Pandemic Redefinition of Living Spaces

The COVID-19 pandemic has reshaped the definition of a “home.” Buyers now look for properties with multipurpose spaces—dedicated work zones, recreation areas, enhanced ventilation, and touch-free technology—making adaptability a crucial real estate attribute.

Strategic Recommendations

For Real Estate Developers and Marketers:

- **Invest in Smart Infrastructure:** Implement Internet of Things (IoT) features and AI-powered systems to meet the demand for smart, connected living environments.
- **Promote Sustainability:** Integrate green practices in construction and highlight eco-certifications in marketing campaigns to attract environmentally-conscious buyers.
- **Build Trust through Transparency:** Ensure on-time project delivery, ethical conduct, and clear communication to develop lasting relationships with customers.
- **Target Emerging Buyer Segments:** Tailor offerings for niche audiences like tech-savvy women, digital nomads, and elderly individuals seeking security and accessibility.

To Improve Customer-Centric Real Estate Offerings:

- **Enhance the Digital Experience:** Incorporate virtual site tours, online documentation, AI-driven chatbots, and seamless digital transactions to elevate convenience and engagement.
- **Adopt Personalized Communication:** Use Customer Relationship Management (CRM) tools and data analytics to personalize marketing messages, offers, and interactions.
- **Strengthen Post-Sale Support:** Provide value-added services such as home maintenance packages, community engagement platforms, and feedback systems to maintain buyer satisfaction beyond the point of sale.

6.3 Conclusion

Modern real estate consumers are informed, discerning, and purpose-driven. They seek not just homes, but experiences that reflect their values, aspirations, and lifestyles. To stay competitive, real estate developers must adopt a proactive, innovative, and customer-centric approach—leveraging technology, sustainability, and personalization to deliver long-term value and satisfaction.

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