

**COVENANT UNIVERSITY
NIGERIA**

*TUTORIAL KIT
OMEGA SEMESTER*

**PROGRAMME: ESTATE
MANAGEMENT**

COURSE: ESM 325

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ESM 325: REAL ESTATE MARKETING

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1. In order to compete favourably in the market place, real estate firms apply a number of strategies based on their market position. In line with this, list the four major marketing strategies and discuss (highlighting major aspects) any three of them. **(30 mks)**
 - a. Listing the four major marketing strategies**4mks**
 1. Market Dominance Strategy (**1mks**)
 2. Porter Generic Strategies (**1mks**)
 3. Innovation Strategies:{inventive, adaptive, economic and innovative strategies} (**1mks**)
 4. Growth Strategies:{intensive, integrated and diversification growth opportunities}(**1mks**)
 - b. Discussion of Market Dominance Strategy carries **10mks** while the other three above attracts **9.5mks** each (**28.5mks**) while a brilliant presentation of points attracts a further **1mks** each totalling **30mks**.
2. In order to provide qualitative and specialised real estate services to your to-be-clients, there is the need to analyse the nature and composition of the market in order to identify groups of potential consumers having similar needs, characteristics or same behaviour. In this light, discuss any four of the market divisions available to you to opt from. **(20 mks)**

Any 4 of the following can be discussed upon.

 - **Geographical Segmentation:** Region, urban/suburban/rural and population density.(**5mks**)
 - **Demographical Segmentation:** Age, sex, marital status, socio-economic status, social class, religion and education.(**5mks**)
 - **Psychological Segmentation:** Life styles, personality, self image, value perception and motives.(**5mks**)
 - **Behavioural Segmentation:** Use rate and volume, readiness-to-buy stage, decision making unit, occasions when used, product end use, brand loyalty, income status, profitability and benefits sought.(**5mks**)
 - **Technographic Segmentation:** Motivations, usage patterns, attitudes about technology, fundamental values, life style perspective and standard of living.(**5mks**)
3. In the purchase of real estate, some essential stages by which prospective consumers are most likely to follow include: problem recognition, information search, evaluation of alternatives, consumption decisions and post consumption stages. Briefly discuss these stages. **(20 mks)**

Discussion of the following headings in line with the summarised answers attract 4 marks each.

- **Problem Recognition:** Identification of need based on socio economic considerations.(**4mks**)

- **Information Search:** seeking for the availability of identified need via ESVs, property magazines and “To Let”/ “For Sale” notice boards within the identified location of choice.(4mks)
 - **Evaluation of Alternatives:** Ranking of available options and forming an intention whether to acquire or not. Fraught with diverse risks which include: property faults, neighborhood risks, bad neighbours e.t.c. potential problems must be identified and noted by the potential consumer. Entire options available might be dropped for something else all together....(4mks)
 - **Consumption Decisions:** This is the aspect of decision making after evaluating alternatives. Choice must be made based on convinceable attributes such as nearness to transportation, security amongst others such as affordability, psychological, cultural and religious factors....(4mks)
 - **Post Consumption Stages:** The last stage. The reality if the buy opens up to the consumer. Bearing the cost of repairs maybe an option but in rare cases, where consumers feel cheated, a return/ cancellation of the buy maybe inevitable. ESVs must therefore not spend commission so quickly.(4mks)
4. As a budding real estate surveyor, identify and briefly discuss ways by which your potential consumers are likely to influence your decisions on real estate service provision. (20 mks)

Discussion of the following headings in line with the summarised answers attract 6 marks each. 2 marks to be awarded for intelligence in presentation

- **Socio-cultural Influences:** Consists of culture, sub culture, social class, age, stage in life cycle, occupation, economic situation, lifestyle, personality e.t.c.(6mks)
- **Psychological Influences:** Based on perception fostering selective exposure/attention. Selective exposure due to what the client notices that deviate from normal. Borne out of religious social, cultural beliefs.(6mks)
- **Situational Influences:** Maybe due to time pressure, mood, availability, accessibility, difficulty in obtaining information, cash in pocket at the time of the transaction. This influence most times makes for choices below the expected standard of clients.(6mks)

Briefly explain any four of the following:

5. **Exclusive Agency Listing:** ESV given full authority to sell, allowed best efforts unhampered by interferences or competition from other property agents. The contract depicts that the ESV receives commission even if the eventual buyer comes through another agent. Where the eventual buyer comes through the owner of the property, no commission is payable to the ESV. Sadly, it isnt a common contract as it doesnt pay the ESV if after expending funds on marketing the property, it eventually gets sold through the property owner. Thus it makes greedy property owners able to cut off hardworking ESVs even when the buyer or tenant is secured by the effort of that agent.5mks
6. **Exclusive Right to Sell/Let Listing:** Similar the the Exclusive Agency listing except that the commission is paid to the ESV named in the contract whether the ppty is let or sold by the listed ESV, the owner or any other person within the time frame specified in the contract E.g of this is

CERTIFIED LISTING requiring the client to deposit 50%-75% of professional fee to cover cost of property survey and appraisal report that must be prepared to serve as a basis for the selling price and which is certified by the brokering firm as the fair market value of the property. This is most preferred by ESVs.5mks

7. **Net Listing:** This is selling or letting and obtaining minimum price for the owner. Arrangement is made with the seller for the ESV to add his professional fees to the net price. Most times, this leads to disagreements as the property could end up being sold higher than the net price which makes the ESV entitled to the extra margin in price over the net price. Many owners refuse at this point to oblige the ESV the extra over net price calling such practice fraudulent. This form of listing must thus be used with caution as involved parties must understand and agree with the terms of this contract. The ESV is always advised never to accept this offer based on a verbal instruction from the seller.5mks
8. **Open Listing:** Is the simplest form of contract. Can be given via written or verbal authorisations. Owner retains the right to list his property as well as other agents and only the agent who gets the property sold is entitled to commission. Should the seller find a buyer himself, all monies go to him. The owners isnt in any obligation to inform the other agents if eventually the property gets sold. Once the property gets sold or let by the owner, it cancels all previous listings to avoid the consumer from paying multiple commissions. It therefore encourages multiple board hanging and eventually the property may not be disposed by any agent whose board were displayed.5mks
9. **Multiple Service Listing:** Referred to as Multiple listing system/multiple listing service or multiple listings service (MLS). Applies to a group of surveyors coming together to conduct organised real estate letting or sales service via a bureau for central listing using a standard a standard multiple listing. Is a contract with exclusive rights to sell between the seller and members acting as the bureau representative. The properly executed listing agreement is forwarded by the initiating ESV to the central bureau for sales processing. The bureau then arranges a valuation of the property and forwards its valuation report with a listing data form to all its members to effect sale. Any listing that in price exceeds a specified percentage fixed for between 5%-10% of the bureau's appraised value is rejected by the listing. When finally sold, agency fees maybe shared as follows: 5%-10% of gross professional fees goes to the listing bureau, 70%-80% of remainder to the selling agent, 20%-30% to the listing members.
The underlying principle here is to secure a wider distribution of listing and offer uniform sales effort than otherwise possible. Enables ESV establish contractual offer of compensation amongst themselves, facilitates cooperation amongst other agents involved in the contract and accumulated/disseminates information amongst them to enable appraisals
10. The British Institute of Marketing (BIM) defined Marketing as the management process responsible for identifying, anticipating and satisfying consumer requirements profitably. Clearly state the definitions as given by Kotler using a well labelled diagram. Also, in your own words, define the term "Real Estate Marketing". 20marks

Expectation:

- i. A maximum of 5marks is awardable for this section of question 1. Students are expected define marketing as given by Kotler in 1972 and 1984.

Kotler (1972):

“the marketing concept calls for a customer orientation backed by integrated marketing aimed at generating long run consumer satisfaction as the key to attaining long run profitable volume.” (1 mark)

Kotler (1984):

“Marketing is human activity directed at satisfying needs and want through exchange process.” (1 mark)

ii. *A well labelled diagrammatic representation of Kotler’s Marketing analysis attracts 1mark.*

iii. *An appropriate definition of the term “Real Estate Marketing” attracts 2marks.*

11. Marketing is pivotal to the success of the real estate profession. In this light, discuss the five major role of the marketing and the marketing concept in today’s real estate practise.

Expectation:

A maximum of 10marks is awardable for this question. Students are expected to discuss the five major issues as listed below:

- i. *Sales Decline (2mks)*
- ii. *Slow Growth (2mks)*
- iii. *Change in Buying Pattern (2mks)*
- iv. *Increasing Competition (2mks)*
- v. *Increasing Expenditures. (2mks)*

12. List at **least five** tasks (functions) of Marketing Management.

Expectation:

Five clearly stated marketing management task attract a maximum of 5marks. The task include any 5 of the following:

- a. *Identifying the market opportunities and its need*
- b. *Keeping abreast of relevant technologies development*
- c. *Managing products*
- d. *Choosing and identifying the channels of distribution such as retail outlets*
- e. *Advertising and promoting the products*
- f. *Obtaining sales for its product*
- g. *Setting prices and terms of supply*
- h. *Planning the marketing activity.*

13. In order to compete favourably in the market place, real estate firms apply a number of strategies based on their market position. In line with this, discuss vividly any three of the following marketing strategies”

- b. *Market Dominance Strategy (6mks)*
- c. *Porter Generic Strategies (6mks)*
- d. *Innovation Strategies (6mks)*
- e. *Growth Strategies (6mks) 20marks*

Expectation:

- i. Students are expected to DEFINE, STATE and EXPLAIN the types of SUB-STRATEGIES within the scope of each strategy stratification.
- ii. An **extra 2marks** is to be awarded for exceptional prowess in brilliancy and delivery. A total of **20marks** is awardable for this question.

14. Define the term “Marketing Mix” and briefly discuss its 4P components.

Expectation:

- i. Right definition of Marketing Mix attracts a maximum of **1mark**.
- ii. Intelligent discussion of the 4p’s attracts **6marks (i.e 1.5marks max for each P)**.

15. As a budding surveyor, discuss the real estate life cycle and the characteristics of each phase.

Expectation:

- a. A lucid graphical representation attracts **1mark**
- b. An Explicit explanation of the real estate product life cycle stages (Introduction, Growth, Maturity and Decline) attracts **6marks (1.5marks for each stage)**.

16. Differentiate between the “Marketing Mix” and the “Product Mix”.

Expectation:

A Correct differentiation of “Marketing Mix” from “Product Mix” attracts **1mark**

17. List all the philosophies of marketing management and briefly discuss any five of them in the light of the real estate profession.

Expectation:

- a. A complete list of the 8 marketing philosophies attract **4marks (0.5mks each)**. Philosophies consist of: **Conversional, Stimulational, Developmental, Re-marketing, Maintenance, De-marketing, Green/Non Profit and Counter Marketing**.
- b. Accurate discussion of any 5 of the above philosophies attract a maximum of **15marks (3marks each)**.

Briefly discuss any three of the following terminologies:

- 18. Promotions (**5marks**)
- 19. Publicity (**5marks**)
- 20. Advertising (**5marks**)
- 21. Product Development (**5marks**) **15marks**

Expectation:

- i. Students are expected to rightly DEFINE, briefly DISCUSS and give EXAMPLES of the subject matter.
- ii. Each of the five terminologies attract a maximum of **5marks**. Subsequently, a total of 3 well elaborated terminologies attract a maximum of **15marks**.