

Klaudia Tomasiak M.A.

Krakow University of Economics
Department of Real Estate and
Investment Economics
e-mail: tomasikk@uek.krakow.pl
ORCID: 0000-0003-2965-1395

Bartłomiej Marona Ph.D.,
Associate Professor

Krakow University of Economics
Department of Real Estate and
Investment Economics
e-mail: maronab@uek.krakow.pl
ORCID: 0000-0002-0490-5945

Efficiency of marketing tools used by real estate development companies in Poland in the era of ESG

Skuteczność narzędzi marketingowych stosowanych przez firmy deweloperskie w Polsce w dobie ESG

Keywords:

real estate development companies, marketing, marketing strategy, efficiency of marketing tools, ESG (environmental, social responsibility, corporate governance)

Abstract: This study is a continuation of the consideration of marketing tools used by real estate development companies in Krakow. As a continuation of the study, it was decided to expand the scope to the whole country. The goal was to assess the efficiency of marketing tools appearing in the previous study by real estate development companies in Poland. The survey shows that the best performing marketing tools are still websites. It should also be noted the ever-growing popularity of social networking sites, which are also a very important marketing tool for developers. An important part of the marketing of real estate development companies is also the creation of visualizations of apartments. The use of this tool helps potential customers to imagine their own “M” in a better way than they would have to look at only the technical plans of the apartment in the ad. In addition, it is still a very efficient way to attract customers to use promotions, such as a storage unit in the price of an apartment. A side goal of the article was to test the application of ESG (Environmental, Social and Governance) principles in creating marketing strategies of real estate development companies in Poland. Some companies have changed or are planning to change their marketing strategy to be ESG-compliant, e.g. they are abandoning environmentally littering flyers and relying on online flyers, the same goes for abandoning billboards and posters in favor of advertising poles. Development companies in Poland are beginning to realize that customers increasingly view companies through the prism of ecology and pro-environmental activities.

Słowa kluczowe:
firmy deweloperskie,
marketing, strategia
marketingowa, skuteczność
narzędzi marketingowych,
ESG (środowisko, społeczna
odpowiedzialność, ład
korporacyjny)

Streszczenie: Niniejsze badanie jest kontynuacją rozważań na temat narzędzi marketingowych stosowanych przez firmy deweloperskie w Krakowie. W ramach kontynuacji badania zdecydowano o rozszerzeniu zakresu na cały kraj. Za cel przyjęto ocenę skuteczności narzędzi marketingowych pojawiających się w poprzednim badaniu przez firmy deweloperskie na terenie Polski. Z badań wynika, że najlepiej sprawdzającymi się narzędziami marketingowymi są nadal strony internetowe. Należy także zwrócić uwagę na wciąż rosnącą popularność portali społecznościowych, które dla deweloperów również stanowią bardzo istotne narzędzie marketingowe. Ważnym elementem marketingu firm deweloperskich jest także tworzenie wizualizacji mieszkań. Stosowanie tego narzędzia pomaga potencjalnemu klientowi wyobrazić sobie swoje własne „M” w lepszy sposób niż miałyby oglądać w ogłoszeniu jedynie plany techniczne mieszkania. Ponadto nadal bardzo skutecznym sposobem na przyciągnięcie klienta jest stosowanie promocji, chociażby komórka lokatorska w cenie mieszkania. Celem pobocznym artykułu było sprawdzenie zastosowania zasad ESG (środowisko, społeczna odpowiedzialność, ład korporacyjny) przy tworzeniu strategii marketingowych firm deweloperskich w Polsce. Niektóre firmy zmieniły lub planują zmienić swoją strategię marketingową na zgodną z ESG, np. rezygnują z ulotek zaśmiecających środowisko i stawiają na ulotki internetowe, to samo dotyczy rezygnacji z billboardów i plakatów na rzecz słupów ogłoszeniowych. Firmy deweloperskie w Polsce zdają sobie sprawę, że klienci coraz częściej postrzegają firmy przez pryzmat ekologii i działań prośrodowiskowych.

JEL:
L20, L85, M20, O20

Introduction

As part of research conducted at the Krakow University of Economics, a study was conducted in February 2022 on identifying marketing tools used by selected real estate development companies in Krakow from the perspective of a secret customer. The aim of the research was to find out what marketing tools are used by real estate development companies operating in Poland to attract customers, and whether the impact of the fourth industrial revolution on marketing can be observed. The survey found that elements of home branding, storytelling and banner ads, social media ads, ads on websites and portals, and informational brochures are being used. Through the use of virtual tours, visualization of apartments and the use of social media in advertising, the impact of the fourth industrial revolution on marketing in the industry can be seen.

This survey is a continuation of the consideration of marketing tools used by real estate development companies in Poland, this time the idea was to learn the perspective

of real estate development companies across the country and to assess the efficiency of marketing tools appearing in the previous survey. In addition, the goal was to determine the application of ESG in the development of marketing strategies of development companies in Poland. Two research questions were issued for this study. Are the surveyed marketing tools used by development companies efficient (Q1)? Do development companies in Poland apply ESG principles in their marketing strategy (Q2)?

Literature review

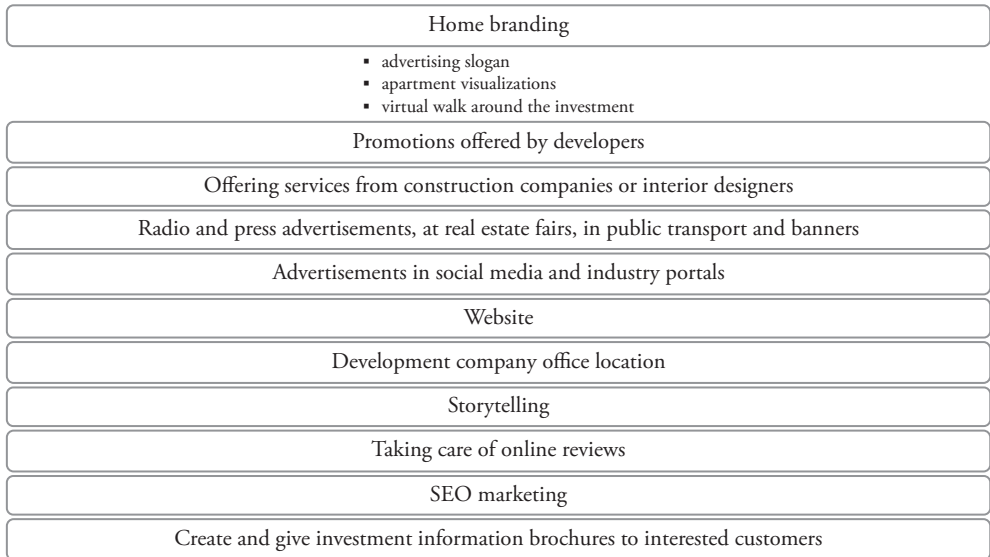
Marketing tools in the real estate market

When starting to consider the marketing tools used in the real estate market, it is important to note how unusual a commodity they advertise. In the case of real estate development companies, it is actually a consumer good that does not yet exist, to be created in the near future [Smyth et al., 2019, pp. 87–99]. According to the online portal prawo.pl, which interviewed some Polish real estate developers regarding the stage of apartment sales, nearly 90% of apartments are sold at the construction stage [Niedźwiedzki, 2016]. So the role of real estate development companies' marketing tools is to convince the consumer to buy a product that he or she will not see before investing funds. Those in the real estate marketing business should consider what ways will work best to spread the marketing message to the public. Real estate promotion should consist of advertising, public relations and sales promotion [Dumpe, 2015, pp. 130–139].

Figure 1 shows the marketing tools currently used by real estate development companies [Tomasik, Marona, 2023, pp. 29–38]. These include home branding, promotions offered by companies, storytelling, websites, apartment visualization or social media advertising. The authors obtained an inventory of these tools through the secret client study. These are tools that were applied directly to the secret client, a use that he himself could experience. As you can see, most of the marketing tools mentioned are related to online activities. This seems natural looking at the times we currently live in. Currently, thanks to the Internet, buyers have better access to information, which results in easier decision-making for consumers [Dumpe, 2015, pp. 130–139]. According to Belniak and Radziszewska-Zielina [2019, pp. 1–9], the most efficient marketing tools used in real estate transactions are precisely advertising on the Internet and using sales portals. Real estate development companies that want to attract new potential customers should conduct marketing on their websites, it helps them to reach more customers [Martyniak, 2015, pp. 21–31]. This is indicated by the results of a study conducted by Dumpe [2015, pp. 130–139] on the Latvian real estate market. Real estate companies have websites that provide detailed information about their business, which

causes the future consumer of their goods to build trust in the company. In addition, some of the companies provide tools for direct online contact with the company using their website, which also adds value to the company's image in the eyes of the consumer [Dumpe, 2015, pp. 130–139].

Figure 1. Marketing tools used by real estate development companies



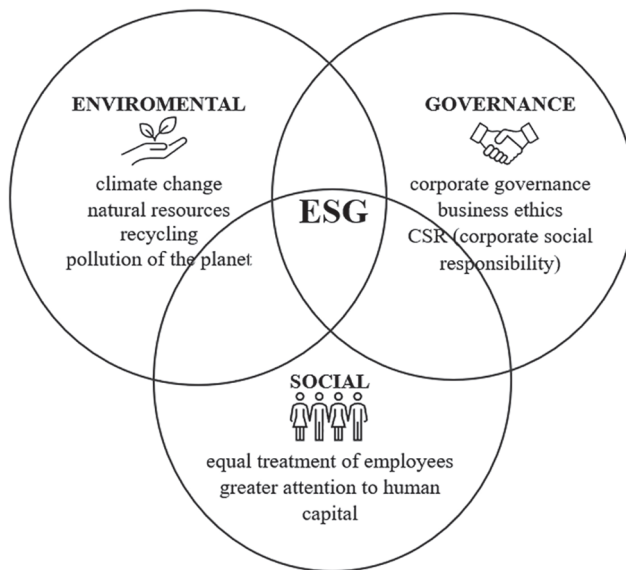
Source: Tomasik & Marona [2023].

However, it is impossible not to pay attention to the growing role of social media in marketing. According to Song & Yoo [2015, pp. 28–37], one of the most important social networks as a marketing tool is Facebook. It allows companies to post current activities and customers to react to individual company activities. It is also a valuable source of information for customers who are looking for information on companies operating in a particular real estate segment [Song, Yoo, 2015, pp. 28–37]. Other social media used by real estate companies include Twitter, Instagram and WhatsApp [Christian, Nwaogu, 2021, pp. 268–273]. Online solutions positively affect the financial performance of real estate companies [Maina, 2017, pp. 13–32]. Real estate companies should combine different online solutions (i.e., websites, social media) to reach the desired target audience. This will help influence consumer decisions by using different marketing channels and marketing tools [Maina, 2017, pp. 13–32]. Based on the above information, it can be concluded that real estate companies have introduced new online elements into their business models, which will become permanent [Aytekin, Demirli, 2017, pp. 17–35]. And these are websites, social media advertising and advertising on sales portals.

ESG used in marketing

Actions that meet the ESG principle, or environmental (E), social (S), governance (G), are primarily responsible company actions that take into account not only financial but also environmental issues. ESG is a kind of investment philosophy that aims to increase the value of investments and the specific actions that lead to this growth taking into account sustainability issues [Ting-Ting et al., 2021, pp. 1–4]. As mentioned above, ESG activities are three dimensions: environmental (E), social (S), governance (G). The former, environmental (E) is primarily the company’s reference to climate change, natural resources, recycling or planetary pollution. The social (S) dimension refers to the company’s equal treatment of employees and paying more attention to the company’s human capital. The last dimension, governance (G), is primarily issues of corporate governance, ethics and corporate social responsibility [Ferrell, 2021, pp. 140–144].

Figure 2. ESG dimensions



Source: own elaboration based on Ferrell [2021, pp. 140–144].

ESG is also used in marketing, where a company’s image matters a lot. In an era of environmental concern, the perception of a company through “green activities” has a positive impact on company performance. As evidenced by the results of a study conducted by Tripopsakul and Puriwat in 2022. The research looked at how ESG affects customer engagement and brand trust. It was shown that companies’ use of ESG in their

marketing strategy significantly affects customer engagement and brand trust. ESG was found to affect customers' emotional attachment to the brand. People begin to have a positive perception of a company that uses ESG and are more likely to use its services [Tripopsakul, Puriwat, 2022, pp. 430–440].

The positive effects of implementing ESG principles in real estate marketing strategy are pointed out in CBRE's 2023 report. It indicates that implementing an ESG strategy is even an obligation for a company that operates in the real estate industry these days. The implementation of ESG by companies operating in the real estate industry is very well perceived by investors and responds to customer expectations. In their operations and marketing strategies, companies should support the realization of sustainable development goals and promote pro-environmental, pro-social and ethical actions and attitudes. As Deloitte points out in its 2022 report, nearly 60% of developers see the growing importance of ESG in the real estate market, and many of them see new business opportunities in this change. More and more clients of real estate development companies will be looking for green solutions in their investments, and these may prove to be the best marketing ploy. Introducing ESG to real estate development companies can become one of the most efficient elements of a marketing strategy. The CBRE report also includes information taken from Bank of America indicating that for both generations: Z (at 92%) and Y (at 87%), ESG issues are extremely important and, among other things, they base their choice of which company to use on this.

The relevance of ESG in marketing can be evidenced by the fact that many real estate development companies use the GRESB (Global Real Estate Sustainability Benchmark) assessment in their marketing strategy, boasting about the assessment of their efforts to fully implement an ESG strategy on their websites and social media. Participants taking part in the assessment implemented by GRESB provide data related to ESG indicators in advance. In return, they receive detailed information on how they compare to other companies. In addition to this, companies also receive a list of suggested actions they can take to improve their sustainability performance.

Development companies also use, in the promotion of their investments, so-called "green certificates", such as BREEAM or LEED. This is an important element of marketing strategy, especially in the era of EU taxonomy. EU taxonomy assumes that a company's activities will qualify various types of investments or activities as sustainable and in line with the EU's aspirations for climate neutrality and climate change adaptation. This is particularly important in a marketing strategy, as it allows a prospective customer to easily compare the degree to which ESG strategies are applied to an investment.

Methodology

To achieve the purpose of the article, a survey of real estate development companies in Poland was used. For this purpose, a questionnaire was created consisting of 10 questions, half of which were metrics. The questionnaire used different types of questions, such as a Likert scale question and open-ended questions. The questionnaire was sent to more than 300 development companies. The final return rate of the questionnaires was 5.67%. The questions concerned the use and efficiency of marketing tools collected during the previous survey in 2022, which concerned the customer side (Table 1).

Table 1. List of marketing tools asked about during the survey

- Website of the company
 - Website of a particular investment
 - Ads on social media
 - The ability to publish customer reviews on Google's platform
 - Billboards
 - Investment advertising slogans
 - Ads on sales portals
 - Apartments visualizations
 - Offering your customers additional services (e.g. interior designer)
 - Storytelling (developing a marketing strategy around specific words designed to evoke pleasant associations, e.g. home-family-warming)
 - Virtual walk through the investment
 - Offering promotions to customers
-

Source: own elaboration.

From each company that responded to the survey, she assigned one employee from the sales department to complete the questionnaire. This made each of the responses received also the number of companies participating in the survey. The questionnaire also included open-ended questions where marketing tools that were not included in the researchers' list could be entered, and changes in the company's marketing strategy could be described. The link to the questionnaire was sent to more than 300 development companies in Poland through the Polish Association of Development Companies. A final questionnaire return rate of 5.67% was obtained [data-driven estimates remain reliable even with a response rate of 5–10%; Fosnacht, et.al., 2017, pp. 245–265].

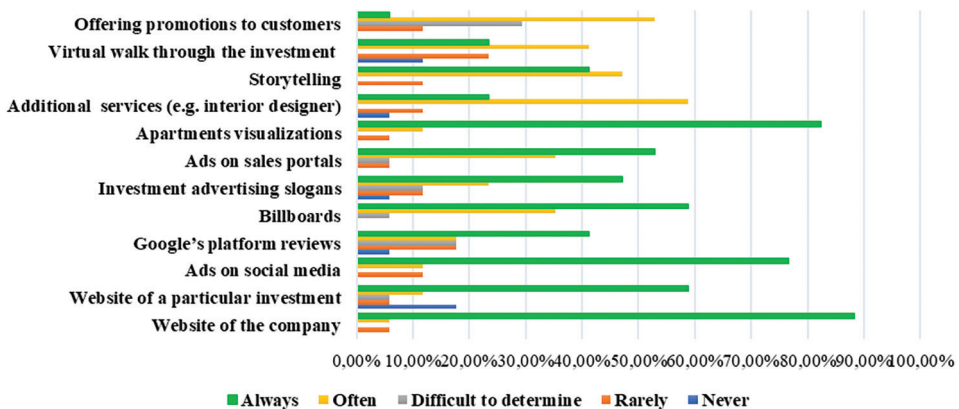
Results

Conducting a survey of real estate development companies in Poland allowed us to obtain data on the efficiency of selected marketing tools, but also to gain information

on other marketing tools used by these companies. These include local advertising campaigns, real estate fairs, virtual mock-ups, charity events or LinkedIn. Several companies also identified ESG as a component of marketing, understanding it as caring not only for their economic interest, but also for the environment in which the company operates.

Graph 1 shows that 88.20% of the surveyed real estate development companies always use company websites. Other tools that are always used by the majority of surveyed real estate development companies are apartment visualizations and social media ads. Also used by more than half of those surveyed are websites dedicated to a specific development, billboards and ads on sales portals. Often real estate development companies use pennants to customers for additional services, promotions offered to customers and storytelling. Some companies responded that they never used marketing tools that are always or often used by other companies (such as a dedicated website for a specific development).

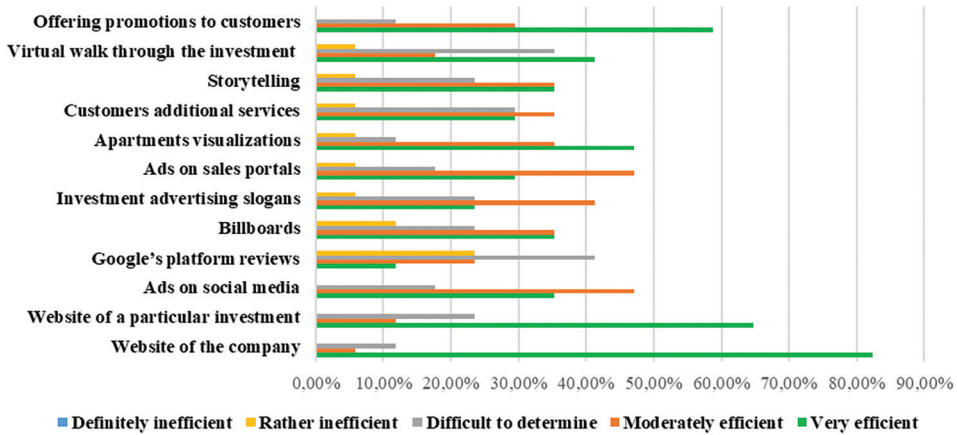
Graph 1. Frequency of use of selected marketing tools by real estate development companies in Poland



Source: own elaboration.

Graph 2 presents the results of the efficiency of selected development tools. More than 80.00% of the surveyed companies considered the companies' website, a dedicated website for a specific development, and promotions offered to customers as the most efficient marketing tools. Social media ads, ads on sales portals and advertising slogans were considered moderately efficient. As for the Google's business card, half of the respondents considered them moderately efficient. None of the development companies considered the selected marketing tools to be completely inefficient. This may indicate their openness to any type of marketing that might prove efficient.

Graph 2. Efficiency of the use of selected marketing tools by real estate development companies in Poland



Source: own elaboration.

In addition, information was obtained about changing marketing strategies due to the ever-changing world and the way they look at the realm of sustainability. Several development companies indicated that over the years they have stopped using billboards, flyers or posters on street poles precisely because of the environment. It has been noted that customers increasingly view companies through the prism of their environmental behavior. In order to reach a larger audience and fit in with the changing reality, several development companies have become active in social media. This allows them to reach a larger audience, which sees them as more open and flexible. One company also pointed to the phenomenon of omnichanneling, that is, marketing activities on different levels so as to attract more potential customers.

Discussion

Main objective was to learn the perspective of real estate development companies in Poland and evaluate the efficiency of marketing tools appearing in a previous study [Tomasik, Marona, 2023]. A side objective of the article was to apply ESG to the development of marketing strategies of real estate development companies in Poland. Two research questions were posed for this study. Are the studied marketing tools used by development companies efficient (Q1)? Do development companies in Poland apply ESG principles in their marketing strategy (Q2)?

In answering the first research question (Q1), the following conclusions were drawn:

- the most efficient marketing tools used by real estate development companies are company websites, a dedicated website for a specific development, promotions offered to customers and visualizations of apartments (C1),
- social media ads, ads on sales portals and advertising slogans were considered moderately efficient marketing tools (C2),
- no single position can be drawn on the inefficiency of some marketing tools, none of them was considered definitively inefficient; this means that the surveyed companies are open about different marketing solutions and do not exclude any (C3),
- some development companies use omnichanneling, working on different levels to reach as many customers as possible (C4).

In answering the second research question (Q2), the following conclusions were drawn:

- some companies have changed or are planning to change their marketing strategy to be ESG-compliant, e.g., they are abandoning environmentally littering flyers and opting for online flyers, the same is true for the discontinuation of billboards and posters for advertising poles (C5),
- development companies in Poland are beginning to realize that customers increasingly view companies through the prism of ecology and pro-environmental measures (C6).

The fulfillment of the first objective is the conclusions regarding the efficiency of marketing tools used by real estate development companies in Poland (C1, C2, C3, C4). On the other hand, the second objective was partially achieved through conclusions on the application of ESG principles in the marketing of development companies (C5, C6).

Conclusions relating to the efficiency of marketing tools in real estate (C1-C4) are equivalent to the results of other researchers mentioned in the literature review. Martyniak [2015] mentions in the monograph the relevance of websites in the promotion of real estate development companies. The same is pointed out by Belniak and Radziszewska-Zieliny [2019]. In addition, in the same study, Belniak and Radziszewska-Zieliny [2019] show the efficiency of using online advertising and the use of sales portals in marketing strategy.

The results relating to ESG principles (C5, C6) can be compared to those of Tripopasakul and Puriwat [2022] mentioned in the literature review. They showed that companies' use of ESG in their marketing strategy significantly affects customer engagement and brand trust. ESG was found to affect customers' emotional attachment to the brand. People begin to have a positive perception of a company that uses ESG and are more likely to use its services. This can be related to the willingness of companies to change their marketing strategies due to ESG principles (C5).

Conclusion

Referring to the first objective, it can be said that the most efficient marketing tool is still the website. Social networks are also gaining importance, which have become an efficient means of communication between the customer and the development company. In the promotion of development investments, companies are also helped by apartment visualizations. Thanks to them, a potential customer can create in his mind a picture of his future in a particular apartment. In addition, still a very efficient way to attract customers is to use promotions, such as a storage cell in the price of an apartment.

As a side objective, it can be concluded that development companies only partially apply ESG principles in the creation of their marketing strategy, focusing mainly on the environmental (E) dimension. Of course, this does not mean that the surveyed development companies do not adhere to the social (S) and governance (G) dimensions in their activities, but they do not show this in their marketing strategies.

Moreover, one can venture to say that real estate development companies should move in a “green” direction in their operations and marketing strategies. By observing green trends in the lives of their customers, they should try to fit in.

The limitations of the present study were primarily the size of the research sample. It amounted to a minimum of 5% and met the requirement from the literature about the possibility of analyzing the results. On the other hand, if the number of development companies that participated in the survey had been larger results would have been more meaningful, showing a broader perspective.

The direction of further research should be to explore the activities of development companies in the other ESG dimensions, namely social (S) and governance (G). In this way, it would be possible to determine whether development companies in Poland are fully complying with ESG principles. In order to better investigate the problem of the efficiency of developer tools, the research can be expanded to include another method, namely in-depth interviews with developer companies.

References

- Aytekin C., Demirli S.M.K. [2017], *The role of social media in real estate marketing: A research on the transformation of real estate marketing in Turkey*, „Öneri Dergisi”, vol. 12(48), pp. 17–36, DOI: 10.14783/maruoneri.vi.331567.
- Belniak M., Radziszewska-Zielina E. [2019], *Effectiveness of Applying Marketing Tools in Real Estate Trading*, „IOP Science Series: Materials Science and Engineering”, vol. 471(11), DOI: 10.1088/1757-899X/471/11/112074.

- CBRE Report [2023], *Marketing zarządzania nieruchomościami. ESG zrównoważone aktywności marketingowe*, https://f.tlcollect.com/fr2/423/98200/ESG_Handbook_PL.pdf?cbca-chex=201065 (accessed: 18.10.2023).
- Christian I., Nwaogu S. [2021], *An analysis of the effect of online marketing on real estate disposal in nigerian property market*, „International Journal of Scientific Research and Engineering Development”, vol. 4(5).
- Deloitte Report [2022], *Real Estate Forecasts for 2022. Build a sustainable business and prepare for change by learning about real estate forecasts for 2022*, <https://www2.deloitte.com/pl/pl/pages/real-estate0/articles/prognozy-dla-rynk-u-nieruchomosci-na-rok-2022.html> (accessed: 27.07.2023).
- Dumpe M. [2015], *Online Marketing Issues of Real Estate Companies: A Case of Latvia*, „Baltic Journal of Real Estate Economics and Construction Management”, vol. 3(1), <https://doi.org/10.1515/bjreecm-2015-0013>.
- Ferrell O.C. [2021], *Addressing socio-ecological issues in marketing: environmental, social and governance (ESG)*, „AMS Rev”, vol. 11, <https://doi.org/10.1007/s13162-021-00201-3>.
- Fosnacht K., Sarraf S., Howe E., Peck L.K. [2017], *How important are high response rates for college surveys?* „The Review of Higher Education”, vol. 40(2), <https://delighted.com/blog/average-survey-response-rate> (accessed: 25.09.2023).
- Maina C. [2017], *Effect of digital marketing tools on performance of businesses in real estate sector in Nairobi county*, Dysertacja doktorska – University Institutional Repository, <https://repository.kcau.ac.ke/handle/123456789/416?show=full> (accessed: 18.10.2023).
- Martyniak M. [2015], *Strona internetowa jako narzędzie sprzedaży i promocji oferty na rynku nieruchomości (Website as a tool for selling and promoting an offer on the real estate market)*, in: Woźniak M., Pilarz Ł.B., Drewniak M. (eds.), *Polscy doktorzy i doktoranci w rozwoju światowej myśli naukowej (Polish Doctors and Doctoral Students in the Development of World Scientific Thought)*, Network Solutions, Słupsk.
- Niedźwiedzki K. [2016], *Deweloperzy sprzedają nawet 90 proc. mieszkań na etapie budowy*, Prawo.pl, September 5, <https://www.prawo.pl/biznes/deweloperzy-sprzedaja-nawet-90-proc-mieszkan-na-etapie-budowy,152344.html> (accessed: 12.02.2024).
- Smyth H., Duryan M., Kusuma I. [2019], *Service design formarketing in construction: Tactical implementation in thebusiness development management*, „Built Environment Projectand Asset Management”, vol. 9(1), Advance online publication, <https://doi.org/10.1108/BEPAM-04-2018-0061>.
- Song S., Yoo M. [2015], *The role of social media during the pre-purchasing stage*, „Journal of Hospitality and Tourism Technology”, vol. 7(1).
- Ting-Ting T., Wang K., Sueyoshi T., Wang D.D. [2021], *ESG: Research Progress and Future Prospects*, „Sustainability”, vol. 13(21), <https://doi.org/10.3390/su132111663>.
- Tomasik K., Marona B. [2023], *Analysis of Marketing Tools Used by Real Estate Development Companies Using Secret Client Research – a Case Study From Krakow*, „Real Estate Management and Valuation”, vol. 31(2), <https://doi.org/10.2478/remav-2023-0011>.
- Tripopsakul S., Puriwat W. [2022], *Understanding the Impact of ESG on Brand Trust and Customer Engagement*, „Journal of Human, Earth and Future”, vol. 3(4).