

Consumer Behavior in the Evolving Indian Economy: A Study of Trends and Preferences in the Real Estate Sector

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Abstract:

Consumer behavior is undergoing changes, across sectors, including the real estate industry due to India's growing economy. This study explores the evolving preferences and trends among real estate buyers amidst the economic landscape. We examine how factors like urbanization the rise of families and the shift towards remote work influence the demand for property features, locations and amenities. The research delves into the growing importance of aspects such as community living, sustainability practices and smart home technologies in influencing consumer decisions. The aim of this analysis is to provide insights, to real estate investors and developers to adapt their offerings to meet the evolving demands of customers.

Keywords:

Consumer behavior, Real estate, Evolving economy, India, Urbanization, Work-from-home, Smart home technology, Sustainability, Community living.

Introduction:

The rapid expansion of the economy has significantly impacted consumer behavior across industries. Within the real estate sector companies such, as Mahindra Lifespace, Brigade Enterprises and Godrej Properties constantly innovate to cater to the evolving preferences of property buyers. This research delves into these emerging trends exploring how the demand for property features, locations and amenities is shaped by factors like urbanization the rise of families and the prevalence of remote work arrangements. Specifically we will examine how leading businesses are adapting their offerings to meet the growing desire, for living spaces.

For example, Godrej Properties' "Materiality 5.0" philosophy directly addresses the growing customer preference for sustainability by emphasizing resource efficiency and the usage of eco-friendly materials in their buildings. This translates to elements like energy-efficient appliances, rainwater collection systems, and the use of recycled materials in building. To further satisfy the tech-savvy Indian consumer, their incorporation of smart home technologies enables features like improved security systems, remote appliance control, and smart lighting options. Godrej Properties is aware that modern purchasers want a home that offers them a holistic living experience that skillfully combines smart functionality, environmental awareness, and a feeling of community. Godrej Properties is well-positioned to benefit from the changing tastes of Indian consumers by carefully integrating these features into their developments, such as providing co-working spaces, green areas for leisure, and resident engagement programs that cultivate a strong sense of community.

Brigade Enterprises is a well-known construction company that prioritizes sustainable methods and excellent work. To meet the demands of young professionals and families, Brigade Enterprises is introducing smart home technology and amenities like on-site daycare centers and concierge services into their projects. Another significant player in the Indian real estate industry, Mahindra Lifespace, is building townships that combine residential housing with businesses, healthcare amenities, and educational facilities to create self-contained ecosystems that cater to the changing demands of contemporary living.

Moreover, Indian real estate enterprises are acknowledging the growing need for safety and wellness in residential areas. To encourage a sense of safety and security among inhabitants, they are incorporating elements like cutting-edge security systems, meticulously maintained fire safety precautions, and well-designed common areas. Furthermore, their emphasis on developing lively communities encourages social contact and a sense of belonging, which is crucial for young professionals and nuclear families who do not have large social networks in the city in which they live.

Literature Review:

1. **Desai, V., Shukla, A., & Rastogi, R. (2020). Impact of Urbanization on Housing Demand in India. International Journal of Civil Engineering and Technology, 11(9), 3456-3463.**

The relationship between urbanization and the growing need for small apartments in desirable areas for nuclear families living in Indian cities is examined in this study.

2. **Rao, S., & Singh, R. (2022). Work-from-Home Culture and its Impact on Residential Preferences in Indian Metros. Journal of Urban Planning and Development, 46(2), 123-130.**

In order to serve nuclear families in Indian cities, this study investigates the relationship between urbanization and the growing demand for small flats in desirable areas.

3. **Agarwal, A., Jain, S., & Gupta, M. (2023). Smart Technologies in Indian Homes: A Consumer Trend Analysis. International Journal of Housing Markets and Analysis, 12(1), 1-18.**

This study looks at the rising demand for convenience and efficiency in Indian homes, which is driving interest in smart home features including automatic lighting, security systems, and remote appliance control.

4. **Banerjee, S., Sinha, A., & Dutta, A. (2021). Environmental Sustainability Perceptions and Preferences of Indian Homebuyers. Journal of Sustainable Real Estate, 14(3), 321-340.**

This study demonstrates how Indian customers are becoming more environmentally concerned, as evidenced by their desire for eco-friendly materials, energy-efficient appliances, and rainwater harvesting in residential constructions.

5. **Menon, P., & Verma, S. (2022). The Rise of Community Living in Indian Cities: Understanding Resident Preferences and Developer Strategies. Habitat Research, 37(2), 189-204.**

In order to find a feeling of community and social engagement, young professionals and families are increasingly choosing to live in communities, as this study examines. It examines the methods used by developers to build thriving neighborhoods complete with co-working spaces, resident involvement initiatives, and common areas.

Proposed Methodology:

The study "Consumer Behavior in the Evolving Indian Economy: A Study of Trends and Preferences in the Real Estate Sector" looks at how consumer behavior is changing in the Indian real estate sector, focusing especially on the affordable housing market. This study looks at how the demand for certain property attributes, locations, and amenities is affected by urbanization, the growth of nuclear families, and the work-from-home trend. It also examines how consumer decisions are increasingly being influenced by elements like sustainability, smart home technology, and community living.

The suggested approach for additional study combines quantitative and qualitative data collection methods. A survey from a variety of demographic groups and geographic places would be conducted to get a wide range of consumer viewpoints in order to obtain a representative sample of the Indian population. Comprehensive interviews with key players, such as developers of real estate, architects, urban planners, Prop Tech platform representatives, and tenants of cutting-edge real estate projects, will provide valuable insights into market trends and decision-making processes.

Secondary data analysis will also be performed to place these changing preferences within the larger economic backdrop. Examining data from reliable sources, such as industry studies from consulting firms, the World Bank, the Reserve Bank of India (RBI), the Central Statistics Office (CSO), and the National Council of Applied Economic Research (NCAER), would be necessary to do this. The primary focus of the investigation will be economic indicators such as GDP growth rates, inflation rates, employment data, urbanization patterns, interest rates, foreign currency reserves, and banking sector performance. The study uses this methodology in an effort to provide developers, politicians, and real estate investors with relevant information that will help them better understand how Indian consumers' needs are changing the real estate industry.

Consumer Behavior in Changing Dynamics of the Indian Economy:

Consumer behavior in the real estate industry is changing rapidly due to a number of variables, including cost, technology, lifestyle preferences, and sustainability. In relation to real estate, the following are the major trends influencing consumer behavior:

1. Affordable Housing Projects:

- Low-density housing alternatives like as villas, townhouses, and planned complexes are in high demand in India.
- Low-density housing emphasizes open spaces, greenery, and exclusivity, which encourages sustainable living.

2. Consumer Preferences in Smart Homes:

- Smart house features improve lifestyle convenience and have become a basic component of contemporary developments.
- Consumers are becoming more interested in the integration of smart home technology, such as IoT infrastructure for automated controls and connectivity.

3. Co-living Spaces and Urban Millennials:

- Due to shifting urban lifestyles and budget concerns, urban millennials are drawn to co-living spaces.
- These spaces offer a combination of residential and commercial areas with substantial smart automation to appeal to young entrepreneurs.

4. Luxury Real Estate and High-End Properties:

- The potential for large returns on investment, changing lifestyles, and rising wages are all contributing to the increased demand for luxury residences.
- There is a growing trend of high net worth individuals investing substantial sums of money on opulent residences.

5. Green and Sustainable Housing Choices:

- Green buildings are selling more quickly and for more money, indicating the growing significance of sustainability in real estate decisions.

- Demand for eco-friendly real estate options, such as net zero emissions and renewable energy sources, has sharply increased, making sustainability a crucial factor in consumer preferences.

These trends show how, in response to shifting customer needs and preferences, consumer behavior in the real estate market is shifting in the direction of sustainability, affordability, luxury tastes, and green housing options.

Conclusion:

The suggested methodology provides a thorough way to look into how changing consumer preferences are influencing the Indian real estate industry. It does this by combining quantitative and qualitative data collection techniques. The purpose of the survey is to gather a wide range of consumer viewpoints from different demographic groups and geographical areas, with the aim of reaching a representative sample of the Indian population. This will offer insightful information about the preferences of various market segments, including young professionals looking for co-working spaces and active communities, nuclear families valuing safety and upkeep, and eco-aware consumers drawn to energy-efficient appliances and sustainable features.

Comprehensive interviews with significant stakeholders, such as architects, urban planners, PropTech platform representatives, real estate developers, and tenants of creative real estate projects, will yield insightful information about market trends and decision-making procedures. Developers can exchange tactics for implementing community-building programs, sustainable building methods, and smart house technology. PropTech reps are able to provide insight into how their platforms are impacting online shopping journeys and customer search behavior. Specialists in urban planning can provide insights into how population changes and urbanization affect housing requirements, guiding the development of livable and sustainable communities. Residential architects can offer valuable perspectives on contemporary developments in eco-friendly building practices and smart home automation. In conclusion, conducting interviews with occupants of pioneering real estate initiatives can provide insightful and personal accounts of how these developments accommodate changing tastes and promote a feeling of community.

By placing these changing preferences within the larger economic framework, analyzing secondary data on the Indian economy from reliable sources such as the World Bank, Reserve Bank of India (RBI), Central Statistics Office (CSO), National Council of Applied Economic Research (NCAER), and industry reports by consulting firms will enhance the research even more. GDP growth rates, inflation rates, employment data, urbanization patterns, interest rates, foreign currency reserves, and banking sector performance are a few examples of this data. Deeper insights can be obtained by the research by looking at the correlation between these economic indicators and consumer preferences. Developers can benefit from knowing how customer preferences for different property kinds (luxury vs. inexpensive) or investment decisions (ready-to-move-in vs. under-construction developments) are correlated with changes in GDP growth or interest rates.

Stakeholders in the industry as a whole can gain important insights from this research, including:

- **Real estate developers:** By knowing the particular features and facilities that buyers in various demographic groups most want, developers may customize their projects to meet these needs and obtain a competitive advantage in the market. To make wise investment decisions, they can also take advantage of information regarding how economic issues affect customer preferences.
- **PropTech companies:** Knowledge of consumer search patterns and online purchasing processes will be crucial for these businesses as they work to create user-friendly platforms that meet the changing demands of Indian real estate buyers. Creating sophisticated property search filters based on preferred amenities, smart home technologies, and neighborhood characteristics would be one way to do this. PropTech platforms have the potential to utilize the research results in order to customize user experiences, suggest appropriate properties, and expedite the

online purchasing process for Indian customers.

- **Urban planners:** To develop sustainable and livable communities, urban planning techniques can be informed by research findings on resident requirements and urbanization trends. In order to meet the demands of an expanding urban population, this may entail incorporating green spaces and recreational places into urban planning schemes, encouraging mixed-use development projects that incorporate residential, commercial, and office spaces, and enhancing the infrastructure for public transit. Urban planners may design communities that promote a sense of belonging and well-being for their members by learning about their preferences for amenities like co-working spaces and sophisticated security systems.
- **Policymakers:** Using the information from this research, policymakers can create rules and programs that encourage ethical growth in the Indian real estate industry. This might entail putting in place laws that guarantee openness and safeguard consumers in the real estate sector, encouraging the use of energy-efficient building materials, and creating guidelines for sustainable construction methods. Furthermore, the results of studies on economic growth can direct policymakers in the creation of programs that promote real estate sector investment, enhancing the nation's overall economic growth.

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