

IT PAYS TO ADVERTISE, OR DOES IT?

Among the conference themes listed in the Call for Papers for the 17th annual Conference of the European Real Estate Society (ERES) which takes place from June 23 – 26 in Milan, Italy, communications appears for the first time. How the real estate industry communicates with potential buyers, which media is used and what the results of these varied efforts are, is well worth studying on a pan-European scale.

By Paola G. Lunghini, ERES President 2006,
Honorary Chair of ERES Conference 2010 in Milan

The basic theme of communication is defined by Edoardo T. Brioscini (Professor of Corporate Communications at the Milanese Catholic University) "as an activity of mainly en masse communication from an identifiable source, highly slanted and persuasive with economic aims and, specifically, commercial ones." Its objectives are twofold: to make known and create an image for real estate projects and to encourage the intention to buy, increase sales and sustain property prices and strengthen brand loyalty in subsequent acquisitions. In other words, if the public doesn't know what's on offer, they can't make you an offer! Communications in the real estate sector, while playing a fundamental and universally recognized role as in other economic sectors, has not yet been dignified with academic status. In Italy, even Milan's University of Language and Communication (IULM) has no course in real estate communication sciences because there is scarcely any scientific material on the subject to work from.

Virtually all publicity

In real estate, the main media for publicity are TV, newspapers, magazines, the radio and out-of-home advertising as seen on billboards, buses and taxis. The Internet has made tremendous progress and is a fast-moving source for information allowing you to 'virtually' view properties. Buyers prefer to use the internet for their research; they can filter results, make electronic shortlists, see multiple photos and floor plans, and check the location of the property on Google maps, and perhaps most importantly, have the option to do it when and wherever they want. E-mail, display and video advertising were cited as the most popular tools. Within online real estate advertising, money is moving into marketing activities that do not rely on a media company to bring buyers and sellers together. Thanks to the proliferation of inexpensive database marketing tools and techniques, real estate advertisers are developing direct, one-on-one relationships with their prospects and customers through e-mail marketing, social net-

working and various promotions and public relations efforts. Mobile phone advertising is also growing.

European markets

The advertising mix varies in every country but one thing is certain: the real estate press is much smaller than other sectors such as food, fashion, IT and cars. While there are many such outlets in countries like the USA, the UK and France, there are far less in most other markets. For real estate publicity the press is by far the most used medium by operators to promote their own products and services with the other players in the sector, towards local communities and more in general to collectives. This is done through publicity campaigns in the general and trade press, real estate supplements in dailies or advertisements in weekly publications and other periodicals and in the real estate press. The so-called free press also plays a part particularly with regard to residential property. Publicity campaigns to promote the start-up and the opening of construction sites,



PHOTO: SDA BOCCONI SCHOOL OF MANAGEMENT

The school of management of the Bocconi University in Milan will be the location of the 17th ERES conference.

and the progress of work in major real estate development projects or valorization of real estate in particular, achieve major results. Statistics for advertising spend per country are published in numerous reports, but it is extremely difficult to find out how much money goes into real estate advertising in each market. Often publishers will bypass their set rates and provide substantial discounts (with big spenders or regular customers) so the actual figures are unknown.

Call for papers

During the 16 years of its existence, many papers have been presented at ERES Conferences but – apart from one or two – none on communications activities such as publicity and advertising. There emerges the problem common to all sectors: does advertising spending influence media coverage? In theory publicity and editorial content should be totally separate. Publicity is certain: whoever buys it gets it; but it is expensive. Is there proof that publicity

has a powerfully positive influence on newspaper coverage? Are there strong links in real estate between advertising spend and newspaper coverage of a company's products? Is the size of spending absolutely the only determining factor in coverage or does it interact with other variables especially the auto referential nature of the journalistic industry?

The answers could prove to be a real revolution for communications in the real estate industry because without communication an economic sector cannot exist. ERES members can be instrumental in collaborating to ascertain what companies are spending and where. So the question needing to be answered isn't "How much should we spend?" but rather, "How do we spend most effectively?" <<

For information about the program, registration and location about the 2010 ERES Conference, please visit www.eres2010.org

About ERES

The European Real Estate Society (ERES), established in 1994, is dedicated to promoting and advancing the field of real estate research and education throughout Europe. Incorporating many national property research societies, academic researchers and real estate practitioners, the annual conference, the biannual ERES industry seminars, the annual education seminar, the *Journal of European Real Estate Research* and the ERES electronic newsletter provide forums for information flow and debate on research and education issues. ERES is a non-profit organization affiliated with the International Real Estate Society (IRES) that provides an even wider contact base in real estate.

- Stanislav Belniak, Krakow University of Economics, Poland, is the 2009-2010 President.
- Stephen Lee, Cass Business School, City University, London, is the Incoming President 2010-2011
- Ramón Sotelo Bauhaus-Universität Weimar, Germany, was the 2008-2009 President
- 2010 Conference & Programme Chair, Giacomo Morri, SDA-Bocconi, Milan
- 2011 Conference & Programme Chair, Rianne Appel-Meulenbroek, Eindhoven University of Technology, NL
- Executive Director, Eamonn D'Arcy, University of Reading, UK
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