



## FAST FACT

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# INDIAN REALTY IN SEARCH OF ITS SUPERBRAND

**RAVI SINHA** analyses what makes a superbrand when it comes to the Indian real estate market and whether we have any brands/projects that fall in the same category

## QUICK BYTES

■ ANY OUT OF THE BOX STRATEGY IS NOT NEEDED AT THIS STAGE JUST TO CREATE A SUPERBRAND. WHAT THE INDIAN REAL ESTATE MARKET NEEDS TO FOCUS ON AT THIS TIME, IS MEETING THE HOUSING NEEDS OF THE MAXIMUM NUMBER OF PEOPLE, ACROSS ALL INCOME BRACKETS. OF COURSE, IF A SUPERBRAND EMERGES IN THE CATEGORY OF AFFORDABLE HOUSING, IT IS JUSTIFIED AND SUSTAINABLE.

■ IN THE INDIAN CONTEXT, A BRAND THAT HAS CONSISTENTLY BEATEN THE COMPETITION IN TERMS OF SALES WOULD CONSTITUTE A SUPERBRAND. THIS PERTAINS REGARDLESS OF WHETHER IT CATERES TO THE MID-INCOME OR PREMIUM SEGMENTS. HOWEVER, THE MOST SIGNIFICANT SALE NUMBERS CAN APPLY ONLY TO BUDGET HOUSING, SINCE THIS IS WHERE THE HIGHEST NEED AND THEREFORE, DEMAND EXISTS.

If customer satisfaction and top of the mind recall value in the collective consciousness, are two key ingredients of pushing up a company or its product as the superbrand, then the Indian real estate sector has to go a long way in creating its own Burj Khalifa. The brand consciousness is though pretty high within the sector, yet, it seems the nature of the business often creates a deep chasm between sales and brand positioning. Whether to position the company as a brand or the project which demands immediate attention in order to keep the cash flow ticking, often derails the brand positioning in the right context and hence, the sector is still in search of its own superbrand.

Every industry is known for some of its super brands. Some companies that command top of the mind recall value when the given segment is talked about. That may or may not be just borne out of huge advertising, as in some of the cases the product is strong enough to penetrate the consumer mind and the user experience defines the iconic brand quotient of the product. Interestingly, the Indian real estate sector that is the second largest advertiser after the Fast Moving Consumer Goods (FMCG) sector, is still in search of its superbrand and as a matter of fact, the brand strategists within the built environment, are struggling to answer what would actually define the superbrand status.

To make matters more complicated, in the last couple of years, it seems the sector is caught between the need to cope with slow sales and the quest to focus on the brand to attract a premium. In this dichotomy of sorts, even the advertising agencies are as clueless as the developers, to identify whether to focus on the project or the company as a brand and hence, while some other newly evolved sectors have come up fast to emerge as a brand with some even positioning themselves as the superbrand, the Indian real estate sector is still in search of the right branding mix, even after nearly a decade of its brand consciousness, to attract foreign capital, post the government allowing 100 per cent FDI in the sector.

On a national level, the concept of superbrands in the Indian real estate sector has not really worked well so far. In the Indian realty market, the brands at best, are the ones that share their own

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reputation in the given city and stand head and shoulder above the rest. These brands inspire confidence because of their consistent track records for quality construction, superior specifications and timely delivery of their projects. That raises a fundamental question as to whether the nature of the business is conducive only to make projects as superbrands and not companies.

Kishor Pate, CMD, Amit Enterprises Housing, does not think so. The Indian housing market is driven by the middle class and this class of buyers, seek value for money. It is often perceived that the more prominent brands among development companies, involve bigger ticket sizes, purely on the basis of brand value. This is often also true. The fact is that Indian home buyers will patronise developers who they trust and this trust is usually based more on word-of-mouth market buzz than on branding. "Any out of the box strategy is not needed at this stage just to create a superbrand. What the Indian real estate market needs to focus on at this time, is meeting the housing needs of the maximum number of people, across all income brackets. Of course, if a superbrand emerges in the category of affordable housing, it is justified and sustainable. In the Indian context, a brand that has consistently beaten the competition, in terms of sales, would constitute a superbrand. This pertains regardless of whether it caters to the mid-income or premium segments.

However, the most significant sale numbers can apply only to budget housing, since this is where the highest need and therefore, demand exists," shares Pate.

Developers, in general, agree that the Indian real estate sector has not been able to create a distinct stature and image for itself so far, at least not for the right reasons. A Kalpataru spokesperson, however, differs with the perception that the sector has failed to create its own iconic image. The spokesperson rather maintains that Indian realty is on par with any realty industry in the world. The real estate industry in India, has grown considerably in the recent years. There are real estate companies that have been constructing robust structures, green buildings, lavish apartments, by using the latest technology and international experts in construction. Additionally, there are international firms that have been investing in real estate companies. All this explains that the real estate sector has created its own iconic stature in the last few years.

"Projects constructed by developers become the face of the company and a developer is recognised by the quality of the work he delivers. Today, developers have been bringing in innovation, adopting latest technology, upgrading facilities and amenities, as per the needs of the latest consumer. All this has been conducive for establishing a brand for the company," says the spokesperson.

There is another school of thought

that suggests that, in the last few years, there has been immense competition in the real estate sector. Each developer is finding new ways to attract customers. This has helped the real estate market create some superbrands.

DLF spokesperson, Sanjoy Roy, says that the problem is with the poor perception and projection of the sector where it is easy to paint everyone with the same brush. Beyond the perception, there are many projects with due merit of being labelled as superbrands with all the specifications of a world-class project. "What is a superbrand needs to be decoded first as the nature of the business of real estate is different from any FMCG product and so, the measurement criterion can not be the same. There is a difference between brand positioning of a product that you buy once or twice in a lifetime and what you buy every now and then but generally speaking, it is the customer satisfaction index that defines the brand worthiness of the product," explains Roy.

There is no denying that the Indian real estate market has come a long way in the last decade. Earlier, there were hardly any brands in the sector. However, post the economic reforms in India, we have seen remarkable growth of the business of real estate in India.

The sector also received recognition during this period and many of the companies were even listed on the stock exchange. With massive infrastructure development across the country followed by the rising demand for quality homes, certain real estate firms have established themselves as brands by focusing on varied parameters of the industry.

The use of modern technology, design of apartments, international architects and interior designers, amenities and facilities, are some of the different parameters on the basis of which, real estate companies are positioning themselves as brands. The quest is always there to emerge as a superbrand with sleek luxury apartments, lavish amenities and the use of international experts in designing unique homes.

Yet, it seems that the sector has to walk a long way to be recognised as a real superbrand that has the element of customer satisfaction and top of the mind recall value.

(The writer is CEO, Track2Realty)