

Assessment of Use of Social Media in Real Estate Transactions in Lagos Property Market

Olukolajo Michael Ayodele^{*}, Ojo Babajide, Akinwamide David Oluwatofunmi

Department of Estate Management, Federal University of Technology, Akure, Nigeria

Abstract

Man in quest to satisfy one of his most important needs - shelter, engages in real estate transactions at varying dimensions. Today, Social Media has been employed as a platform of search and interaction among home buyers, seller, renters, letters as well as their agents. This paper investigates the embrace of social media for property transactions among Estate Surveyor and Valuers in Lagos property market, Nigeria. Questionnaires were randomly administered on 194 real estate practitioners out of which 137(70.6%) constituted valid response and was eventually used for the analysis. Findings indicate that the use of signboard and billboard, social media platforms and property bulletin rank high among promotion tools employed. Facebook, YouTube, and Twitter, are the most used social media among the surveyed professionals. The study recommends that both the Nigerian Institution of Estate Surveyors and Valuers (NIESV) and Estate Surveyors Registration Board of Nigeria (ESVARBON) should review various practice code to accommodate the current realities in order to upgrade the real estate practice in the country.

Keywords

Social Media, Real Estate, Property Market, Lagos

Received: February 28, 2015 / Accepted: March 13, 2015 / Published online: March 20, 2015

© 2015 The Authors. Published by American Institute of Science. This Open Access article is under the CC BY-NC license.

<http://creativecommons.org/licenses/by-nc/4.0/>

1. Introduction

Much of the world's business today is carried out over digital networks that connect people and companies (Kotler and Armstrong, 2012). This connection is occasioned through different internet platforms. Social media are internet sites or platform which facilitates free interaction among people; receiving, sharing and discussion of issues of interest; use of personal words, videos, pictures, and audio multimedia. It enables individuals to be part of a collaborative conversation in order to provide mutually beneficial value in a trusted business environment (Rodriguez, 2011). The use of social media sites as a strategy in marketing is gaining popularity in the past couple of years. Websites such as WhatsApp, Twitter, YouTube and Facebook are growing in popularity and

changing users online activities which are no longer the traditional simply downloading static data; they now upload and share content among themselves, leading to a rapid growth of social networks and other user-generated content sites (Harris and Rae, 2009). According to Curtis (2013), as at year 2013, Facebook had 1.11 billion users, Twitter had 500 million registered users with more than 200 million active, Flickr had 87 million users and had already stored 8 billion photos, Instagram had 100 million users and had already stored 4 billion photos, LinkedIn had 225 million users, MySpace had 25 million users, WordPress hosted 74 million blogs, Pinterest had 48.7 million users, Google+ had 343 million users, Reddit had 69.9 million users with 4.8 billion monthly page views to mention but few.

Presently corporate organization has begun to adopt different

^{*} Corresponding author

E-mail address: maolukolajo@futa.edu.ng (M. A. Olukolajo), jidebabsojo@yahoo.com (B. Ojo), akinwamidedavido@yahoo.com (D. O. Akinwamide)

social medium platforms to disseminate information as well as market their products and services giving new face to doing business. A survey of Social Media Marketing (SMM) in year 2013 indicates that 97% marketers use SMM to market their product and services; 86% claimed it was important to their businesses and 79% marketers have integrated social media as their traditional marketing activities. Topmost among hundreds of the social media platforms used by the marketers are Facebook, Twitter, blogging, LinkedIn and YouTube with Facebook taking the lead (Stelzner, 2013). Quite good numbers of businesses have gained some advantages by adopting social media marketing. For example, Pradiptarini, (2011) observed that Dessert Gallery – a business enterprise - has increased visits by 20% per month after its Facebook fans rose from 283 to 817. Social media sites allow companies to raise to a more personal level, their customer interaction that has already been established via traditional media such as television and print adverts and enabled businesses to build closer relationships with their customers, as well as expand the market coverage to new customers (Rooney, 2011 as cited in Pradiptarini, 2011).

The real estate industry with its diverse activities has also been seen participating in this new trend; but with diverse responses from practitioners. In Nigeria, the adoption of information technology for real estate transactions began with property website where property information was published; however challenges such as failure of the sites to effectively meet the customer's need, unfulfilled promises on services, links to pages that are non-functional or non-existent, has discredited this medium before their clients (Chukwuemeka, 2012). Myriad social networks are readily available online and are being explored when renting or buying apartments. Sawyer, Croston, Wignand and Allbritton (2003) had envisaged that the residential agents whose job is to serve as intermediaries connecting buyers and sellers, may have their job threatened with the advent of ICT which has provided buyers and sellers a new way of finding one another.

The current study seeks to explore the use of social media in real estate agency and the response of the Estate Surveyors and Valuers to this development in Nigeria. Real estate agency is one aspect of the multi-faceted profession of estate surveying and valuation within the property discipline in Nigeria (Agboola, Ojo and Amidu, 2010). The remaining parts of this paper are organized as follows. The next section reviewed existing relevant literature on the use of social media as marketing strategies. This is followed by a description of method of data collection for the empirical study as well as the data analysis technique employed for the study. We then report the results of our empirical study, and conclude with a general discussion of the findings.

2. Literature Review

Traditionally, various strategies that marketing agents can select to convey their services include personal selling, sales promotions, public relations, and word of mouth among others. However, the tools and strategies for communication with customers have changed significantly with the emergence of the phenomenon known as *social media*, also referred to as *customer-generated media* (Mangold and Faulds, 2009). Marketers had depended on broadcast or print media and press releases and these have been found expensive and assure minimal success. At present, there is paradigm shift from this traditional approach to the use of internet and the World Wide Web which provides tremendous opportunity to marketers in reaching buyers directly with targeted information within a fraction of their initial budget on advertising costs (Scott, 2013). Neti (2011) opined that no business or individual can escape the use of social media these days, as the platform has become inseparable from the online world.

In Nigeria, there appears to be paucity of research on use of social media platform as marketing strategy or tool among practitioners. Rodriguez (2011) highlighted the utilization of social media and its potential role in the real estate sales process. The study recommended four points best practices on implementation of social media in real estate. First, social media (SM) users must locate exactly where SM can help in improving interaction with real estate community. Consequently, real estate professionals should write on issues such as existing home sales, current tax laws, specific geographic regions, etc. that are of interest to the community. Second, the professionals should think differently about means of communicating with prospects and others in the real estate community. This can be accomplished by coordinating webinars with their prospects so as to share idea and create a conversation. Third, real estate professionals may engage their clients in conversations through Twitter, blogs and other industry specific network tools. Lastly, real estate practitioners should exercise patient when implementing a social medial initiative. This is because it takes time to build a community of loyal followers (Rodriguez and Robert, 2011).

Carlifornia Association of Realtors (2013) conducted survey of home buyers in California. The survey indicated that virtually all home buyers use internet in the home buying process. Although home search through agent increased in 2013, the percentage of home searchers via online platforms also doubled from the initial 16 percent in 2012 to 37 percent in 2013 and social media use in the home buying process continued to increase with three-quarters of buyers now using it and 91 percent being receptive to receiving information

about the process through it. Mangold and Faulds (2009) observed that marketing managers are confronted with the challenge of loss of direct control over the content, timing, and frequency of information uploaded by customers on social media.

Harris and Rae (2009) having investigated the use of new technologies by entrepreneurial businesses in West London posit that businesses had to bear in mind when considering the use of social networks for communicating with customers, the extent to which different segments of their customer base might be receptive to such approaches. One of the challenges associated with social media is possible loss of control with public display of negativity about the business. Another challenge is partial or total loss of privacy regarding personal data and its usage. Pradiptarini (2011), and Fisher (2009) observed that there appear to be limited information on the effectiveness of social media marketing especially when it comes to measuring its return on investment (ROI) and the target market. Tuten, and Angermeier, (2013), highlighted the negative consequences of using social media in marketing. Prominent among these include loss of privacy, lack of or weak control of personal information, divulgence of potentially sensitive health and financial data, distortion of people's self-perceptions, etc. They however, opined that despite these consequences, the benefits of social media are enormous.

One aspect of real estate practice that has enjoyed considerable development in Nigeria is agency practice. This entails the bringing together parties of divergent interest in attaining specific goals (Iroham, Olawunmi, Ayedun and Oloyede, 2012). Unfortunately, the real estate agency is an all comers' activity in Nigeria property market as lawyers, engineers, accountants and many allied professionals in the building industry are now involved in real estate marketing and transactions; owing to weak regulatory framework. According to Agboola, *et al* (2010), in real estate agency, some activities that are applied in the property market to facilitate transactions have the potential to lead to unethical behaviours, more so as real estate transactions have some characteristics that are unique to them.

In connection with Estate Surveying and Valuation practice in Nigeria, an Estate Surveyor and Valuer is forbidden by virtue of Section 33(a & b) of the Estate Surveyors and Valuers (Registration, etc.) Decree No 24 of 1975 now CAP E.13 LFN 2007, *to circulate blotters, calendar, and diaries or advertise his services in any manner whatsoever; except by purchasing and circulating such items produced by the Nigerian Institution of Estate Surveyors and Valuers. It is also forbidden to advertise services in print media except with the approval of and in line with the guidance set by the Estate Surveyors and Valuers registration Board of Nigeria*

(ESVARBON). The reality today is that these professionals seek different platforms which include social media to reach their targeted clients and bring the awareness of their services to them.

Restricted or lack of access to information and communication technology (ICT) known as "digital divides" has been considered as a major barrier to effective operation of real estate practice in Nigeria. Oni and Adebayo (2012) and Oni (2013) observed that the crop of Estate Surveyors and Valuers who are expected to train the up-coming generation of Estate Surveyors do not have the required capacity to do this. Although, the yawning gap might not have been bridged; however, there is considerable improvement in the situation as technology is advancing per day especially with the influx of intelligent phones.

3. Methods

The targeted populations for the study are the Estate Surveyors and Valuers in Lagos Metropolis. These professionals engage in activities such as real estate agency services, property management services, property auctioneering services, valuation, facilities management, project management, property arbitration, feasibility and viability services, expert witness services etc as allowed under Decree 24 of 1975 now CAP E.13 LFN 2007 by which estate surveying and valuation profession was established in Nigeria. Lagos was chosen because more than half of real estate consultancy firms in Nigeria have their headquarter offices located in the metropolis (Amidu *et al.*, 2008). The city became the commercial nerve of Nigeria since the administrative seat was shifted to Abuja (Ajiboye, 2010).

The sample frame for the study is the 378 membership of Lagos state branch of the Nigerian Institution of Estate Surveyors and Valuers (NIESV) as obtained from the Branch 2014 directory. Israel (2013) suggested that for a sample frame of this nature, using a 95% level of precision, a sample size of 194 is appropriate. Based on this, structured questionnaire was randomly administered on the respondents Estate Surveyors and Valuers in the study area and a total of 137 representing 70.6 percent of retrieved questionnaires were found suitable for data analysis.

4. Findings and Discussion

Results of the demographic parameters of the respondents in the study area presented in Table 1 indicate that 59.85 percent of respondents are within the age 31 -50 years. Data on their years of experience in the professional practice indicate 50 (36.5 %) have been in practice within 6 – 9 years. Altogether, majority (74.45%) have more than five years' experience in

real estate transactions within the Lagos property market.

Table 1. Descriptive statistics of Real Estate Practitioners

Demographics	Frequency	Percent
Age of Respondents		
Below 20 years	23	16.79
20 -30 years	49	35.77
31 -40 years	33	24.09
41 – 50 years	24	17.51
51 – 60 years	8	5.84
Above 60 years	0	0
Years of Experience		
1-5 yrs	35	25.55
6-9 yrs	50	36.50
10-15yrs	44	32.12
16-20yrs	3	2.20
Above 20yrs	5	3.65
Academic Qualification		
OND	29	21.2
HND	37	27.1
B.sc/B.Tech	45	32.8
Post Graduate	26	18.9

Source: Authors' field survey, 2014

The table 2 displays the effectiveness of different media used in real estate product marketing as reported by the respondents. Signboard and billboard is the most used and most effective marketing tool used by these surveyors. This is in form of "To – Let" and "For- sale" board mounted on properties in market. This tool of marketing ranked first with MIS 4.64 among others. Second to this is marketing through social media. This tool with MIS 4.61 is gradually

dominating other marketing strategies because of increase in the use of internet across the world as the fastest means of disseminating information to audience/public and advertising products to people. Preparation of property bulletin and circulating same in form of hard copy among other colleagues and property consultants ranked third with MIS 4.58. This method is as old as the profession and allows collaboration with other colleagues in the area of joint letting, sales etc. Where this practice is engaged, the parties involved normally share the fee based on pre-agreed formula. The least of the marketing tools engaged in real estate product among the practitioners in the study area is radio advertisement which ranked 9th with MIS 1.63. Although, occasionally pseudo-practitioners (quacks) in the profession engage this media however, its use is not popular among the professionals.

Many estate surveying and valuation firms in Nigeria now have links to social media such as Facebook, twitter, google+ etc on their websites and information on properties for sale and to let are displayed. Also many surveyors and other staff of these companies disseminate information on their social media for their friends and colleagues consumption. More than half of respondents who have been using social media for at least 3 years reported that it has helped them improve sales, generates exposure for their firm, gaining of new partnerships, benefit of reduced marketing expenses, provide marketplace insight, and also useful for building a loyal fan base.

Table 2. Assessment of the effectiveness of different methods adopted in real estate marketing adopted by firm

Marketing Methods	VE	E	UD	I	VI	TOTAL	MIS	Rank
Signboard and Billboard	93 (68.0)	41 (30.0)	0	3 (2.0)	0	137	4.64	1 st
Social media Marketing	105 (77.0)	21 (15.0)	0	11 (8.0)	0	137	4.61	2 nd
Property Bulletin	80 (58.0)	57 (42.0)	0	0	0	137	4.58	3 th
Print display advertisement	70 (51.0)	54 (39.0)	6 (4.0)	7 (5.0)	0	137	4.36	4 th
Newspaper advertisement	74 (54.0)	38 (28.0)	11 (8.0)	9 (7.0)	5 (4.0)	137	4.22	5 th
Event Marketing (e.g speaking and networking)	8 (6.0)	26 (19.0)	76 (55.0)	9 (7.0)	18 (13.0)	137	2.98	6 th
Television advertisement	0	0	120 (88.0)	3 (2.0)	14 (10.0)	137	2.77	7 th
Sponsorships	7 (5.0)	13 (9.0)	68 (50.0)	36 (26.0)	13 (9.0)	137	2.74	8 th
Radio advertisement	0	0	30 (22.0)	26 (19.0)	81 (59.0)	137	1.63	9 th

VE – Very Effective, E – Effective, UD – Undecided, I – Ineffective, VI – Very Ineffective, Percentage is shown in parenthesis ()

Source: Authors' field survey, 2014

Table 3. Nature and Extent of use of SM platforms for real estate marketing

Social Media platforms	Always	Often	Sometimes	Seldom	Never	Total	MIS	Rank
Facebook	130 (94.89)	7 (5.10)	0	0	0	137	4.95	1 st
YouTube	101 (73.70)	31 (22.60)	0	5 (3.60)	0	137	4.66	2 nd
Twitter	99 (72.26)	34 (24.82)	0	4 (2.92)	0	137	4.66	2 nd
Whatsapp	95 (69.34)	35 (25.55)	0	7 (5.11)	0	137	4.59	4 th
Instagram	99 (72.26)	24 (17.52)	10 (7.30)	2 (1.46)	2 (1.46)	137	4.58	5 th
Skype	86 (62.77)	42 (30.66)	0	9 (6.57)	0	137	4.50	6 th
Flickr	76 (55.47)	19 (13.87)	19 (13.87)	10 (7.30)	13 (9.49)	137	3.99	7 th

Social Media platforms	Always	Often	Sometimes	Seldom	Never	Total	MIS	Rank
Google+	59 (43.07)	43 (31.39)	14 (10.22)	15 (10.95)	6 (4.38)	137	3.98	8 th
ITunes	11 (8.03)	25 (18.25)	74 (54.01)	13 (9.49)	14 (10.22)	137	3.04	9 th
Tumblr	8 (5.84)	20 (14.60)	77 (56.20)	22 (16.06)	10 (7.30)	137	2.96	10 th
LinkedIn	12 (8.80)	19 (13.87)	71 (51.82)	18 (13.14)	17 (12.41)	137	2.93	11 th
MySpace	9 (6.57)	16 (11.68)	81 (59.12)	17 (12.41)	14 (10.22)	137	2.92	12 th
Friendster	8 (5.84)	10 (7.30)	89 (64.96)	15 (10.95)	15 (10.95)	137	2.86	13 th
Buzz	0	0	109 (79.56)	15 (10.95)	13 (9.49)	137	2.70	14 th
Pinterest	4 (2.92)	5 (3.65)	95 (69.34)	9 (6.57)	24 (17.52)	137	2.68	15 th
Earthlink	0	0	103 (75.18)	22 (16.06)	12 (8.76)	137	2.66	16 th
Blogger	4 (2.92)	3 (2.19)	72 (52.55)	33 (24.09)	25 (18.25)	137	2.47	17 th
Podcasting	1 (0.73)	3 (2.19)	88 (64.23)	0	45 (32.85)	137	2.38	18 th
Forums	12 (8.76)	8 (5.84)	37 (27.01)	27 (19.71)	53 (38.69)	137	2.26	19 th
SixDegrees	2 (1.46)	7 (5.11)	55 (40.15)	19 (13.87)	54 (39.42)	137	2.15	20 th
Snapchat	0	0	19 (13.87)	4 (2.92)	114 (83.21)	137	1.31	21 st

Source: Authors' field survey, 2014, Percentage is shown in parenthesis ()

Table 3 displays different social media and their level of usage for marketing real estate services among respondents. It is noteworthy that all these professionals agreed to the usefulness of social media in marketing their services. The prominent social media popular among them is Facebook and it ranked first with MIS 4.95. This finding is in agreement with existing body of literatures and reports (Stelzner, 2011, Stelzner, 2012; Kotler and Armstrong, 2012; Curtis, 2013; Stelzner, 2013; Stelzner, 2014) that Facebook has the largest number of users compared to other social media. Both Twitter and YouTube with MIS 4.66 ranked second. In the third position is Whatsapp with MIS 4.59. The least used social media among the surveyed real estate professionals is Snapchat and it ranked 21st with MIS 1.31

5. Conclusion

The foregoing study has highlighted the level of adoption of social media platform for real estate marketing in Lagos property market. It is noteworthy that, social media among other marketing tool is gaining popularity in bringing the services of real estate practitioners to their clients. Although, the code of conduct guiding the professional practice frowns at advertising services in any manner, the influx of pseudo professional into the profession has change the real estate marketing atmosphere, culminating in advertising land and landed properties to let and for sale through both print and mass media, fliers, blotters, calendar, diaries etc. Unfortunately, the quacks through these means have driven their patronage to an enviable height such that some member of the public found it difficult to differentiate between them and the licensed/trained professional. It is high time the Nigerian Institution of Estate Surveyors and Valuers (NIESV) and Estate Surveyors and Registration Board of Nigeria (ESVARBON) reviewed various practice code to accommodate the current realities and thereby upgrade the

real estate practice in the country.

Social media marketing has been found to be of great relevance and importance, as it has helped marketers improve sales, generates exposure for their firm, gained new partnerships, reduced marketing expenses, provision of marketplace insight and also useful for building a loyal fan base. In order to ensure effective marketing of properties, firms that are yet to implement social media marketing strategies can start their involvement by inviting their customers or prospects to join their social media community. For example, firms can post the icons of the social media sites on their main website, or by giving some special deals to customers who become their fans or followers. Today, property marketing is about building relationships and trust through effective two-way communications (e.g. talk about something that customers are interested in), and creating products that will help to solve customers' problems. Therefore, any postings or messages on the firm's social media sites should be on subjects that are relevant to the customers and something that they can relate to, in order to get them engaged and connected to the firm/brand.

References

- [1] Agboola, A. O., Ojo, O., & Amidu, A. R. (2010). The ethics of real estate agents in emerging economies: A cross-sectional survey of agents and service consumers' perception in Nigeria. *Property Management*, 28(5), 339-357.
- [2] Ajiboye, A.D. (2010). The correlates of public housing satisfaction in Lagos, Nigeria. *Journal of Geography and Planning*. Vol.3(2), 017-028.
- [3] California Association of Realtors (2013). Home Buyer Survey. Research and Economics, Los Angeles.
- [4] Chukwuemeka C. C. (2012). Application of technology in business: Developing a Web-Based Real-Estate Information system for the Nigerian Market. A dissertation submitted to the University of Manchester.

- [5] Curtis, A. (2013). The Brief History of Social Media. Mass Communication Dept., University of North Carolina at Pembroke.
- [6] Fisher, T. (2009). ROI in social media: A look at the arguments. *Journal of Database Marketing & Customer Strategy Management*. (2009) 16, 189–195
- [7] Harris, L., & Rae, A. (2009) Social networks: the future of marketing for small business. *Journal of business strategy*, 30(5),24-31
- [8] Iroham, C. O., Oluwunmi A. O., Ayedun C. A. & Oloyede S. A. (2012). An Investigation of the Efficiency in Nigeria Real Estate Agency Practice. *Mediterranean Journal of Social Sciences*. 2(2), 184 – 193.
- [9] Kotler, P., & Armstrong, G. (2012). Principles of marketing. 14th Edition, Pearson.
- [10] Sawyer, S., Crowston, K., Wigand, R. and Allbritton, M., (2003) “The Social Embeddedness of Transactions: Evidence from the Residential Real Estate Industry,” *The Information Society*, 19(2), 135-154.
- [11] Mangold, W.G., & Faulds, D.J. (2009). Social Media: The new hybrid element of the promotion mix. *Business horizons*, 52(4), 37–365.
- [12] Neti, S. (2011). Social media and its role in marketing. *International journal of enterprise computing and business systems*. 1(2), 1-15.
- [13] Oni A. O. (2013). Digital Divide – a challenge to the real estate practice in Nigeria? *Property Management*. 31(1), 22-38.
- [14] Oni, A. O. & Adebayo, M.A. (2012). Challenges Facing Sustainable Real Estate Marketing and Practice in Emerging Economy: Case Study of Nigeria. *International Journal of Marketing Studies*. 4(1), 58 – 67.
- [15] Pradiptarini C. (2011). Social Media Marketing: Measuring Its Effectiveness and Identifying the Target Market. *UW-L Journal of Undergraduate Research XIV*. pp1-11
- [16] Rodriguez, M. (2011). Making Social Media Effective In Real Estate. Keller Center Research Report. Baylor University, Waco, Texas.
- [17] Rodriguez, M and Robert P. (2011), “Generating Leads Via Social CRM: Early Best Practices for B2B Sales,” National Conference in Sales Management, Orlando, FL.
- [18] Scott D .M. (2013). The New Rules of Marketing & PR: How to Use Social Media, Online Video, Mobile Applications, Blogs, News Releases, and Viral Marketing to Reach Buyers Directly. John Wiley & Sons.
- [19] Stelzner, M. A. (2011). Social Media Marketing Industry Report. How marketers are using social media to grow their businesses. Social Media Examiner.
- [20] Stelzner, M. A. (2012). Social Media Marketing Industry Report. How marketers are using social media to grow their businesses. Social Media Examiner.
- [21] Stelzner, M. A. (2013). Social Media Marketing Industry Report. How marketers are using social media to grow their businesses. Social Media Examiner.
- [22] Stelzner, M. A. (2014). Social Media Marketing Industry Report. How marketers are using social media to grow their businesses. Social Media Examiner.
- [23] Tuten, T., & Angermeier, W. (2013). Before and Beyond the Social Moment of Engagement: Perspectives on the Negative Utilities of Social Media Marketing. *Gestion 2000*, 30(3), 69-76.