



ISSN 2278 – 0211 (Online)

Trends in Indian Realty Sector: A CRM Framework for a Real Estate Entities in the Changing Environment

Ramprakash Kona

Deputy Vice President, Lodha Group, Mumbai, Maharashtra, India

S. S. Prasada Rao

Professor, Dean and Director, HBS, GITAM University, Telangana, India

Dr. U. Devi Prasad

Associate Professor, HBS, GITAM University, Telangana, India

Abstract:

Real Estate sector in India is a capital and manpower intensive sector which contributes 5 to 6 percent of its GDP. It is transforming to be more organized in the recent past. The competition among the real estate players in India has been intense and the rising inventory levels have been of concern. However the demand for housing in the affordable segment has seen an upsurge. The Government initiatives to regulate the real estate sector have been welcomed by the customers as this would reduce the undue project delays and ambiguity in the industry. The interest of the Private equity players in the Indian realty sector has gone up and is indicated by the recent capital infusions and investments made by them. The emergence of REIT in the Indian market has also opened up a new window of investment for the investors to participate the real estate growth story. The paper aims at highlighting the changing scenario of the real estate in India. The paper suggests the customer centric initiatives that the realty companies can adopt to stay competitive. The paper urges for the adoption of CRM practices by the Real estate entities. The Establishment of CRM systems need understanding of the CRM processes in the realty industry. It needs integrating of technology to the processes by making them efficient and effective. The paper attempts to outline the process models for CRM implementation in a real estate company and also creates a checklist to evaluate to the CRM and ERP for such entities. The paper attempts to address the areas which earlier researchers have not highlighted with respective to this industry in India.

Keywords: CRM, Affordable Housing, Real estate Regulation and Development Act, Real Estate Investment Trust, AT (After the Launch), BTL (Before the Launch), FAME (Form Acceptance for Management Execution), ERP (Enterprise Resource Planning)

1. Introduction and Overview of Trends in Indian Realty Sector

Real Estate sector ranks second to agriculture in providing employment in the country. The population in the country is estimated to touch 600 billion in 2030. Hence there is a huge demand and need for housing and infrastructure in the next one half decades. Real estate is a capital intensive and manpower intensive sector which is estimated to grow at more than 25% in the next two decades. The size of the Indian realty market by the year 2020 is predicted to be 180 billion USD. The contribution of the housing sector to Gross domestic Product of the country is over 5 per cent. The Department of Industrial Policy and Promotion has reported an inflow of 25 Billion USD into the Indian Realty market in the past 15 years. The Indian Realty Sector has seen the below major developments in the recent past.

1. Government Initiatives in affordable housing
2. Infusion of Private equity
3. Emergence of the Real Estate (Regulation and Development) Act, 2016
4. Emergence of REIT – Real estate Investment Trust.

The above factors will be contributing to the expansion of scope and opportunity for the real estate players and are also contributing to an organized approach for conducting business. Adherence to Law and corporate ethics is the order of the day. The Customer centricity and project execution efficiencies have started improving in the sector.

1.1. Government Initiatives in Affordable Housing

By 2022 the Indian government aims to provide housing for all (Sardar Patel Urban Housing Mission) with a special focus on EWS (Economically Weaker Sections) and LIG (Low Income Groups) by providing interest Subsidies and partnering with the private

players. The estimated number of units required stands at 6 crores. The Government has initiated the development of 100 smart cities in one decade. This would need rapid development of infrastructure such a road and Transport, Education, Healthcare, Water plants and ground water harvesting, Power and Energy, Waste Management and most important of all, Housing. There is a need for an additional 67 Million square feet of built up area from the current 3 million square feet in the next 10 years as per the reports. The opportunity for Realtors across 7 major cities in the housing for all schemes is estimated to be at Rs. 75,800 crores according to a report by Confederation of Real Estate Developers' Associations of India (Credai) and real estate research firm Cushman and Wakefield. The seven major cities include Mumbai Metropolitan Region (MMR), National Capital Region (NCR), Delhi, Chennai, Bengaluru, Pune, Hyderabad and Kolkata. Some of the Major Players who have already started their initiatives are Shapoorji Pallonji, Tata Value Homes (100 per cent subsidiary of the Tata Housing Development Company) and Mahindra Life space Developers. There are many other local players participating in this market.

1.2. Infusion of Private Equity (PE) in Realty

The incremental private equity investments in the past one year are estimated to be at Rs19, 500 crores which is 80 per cent growth over the past years in 2014 i.e. Rs 10,800 Crores according to JLL India. According to JLL India Mumbai MMR received 34 %, NCR at 29 %, Chennai at 14 %, Bangalore at 11%, Pune at 5 %.and Hyderabad at 3% while all other cities got 4% of total PE investment. The Government incentives are attracting the overseas investors. The Chinese and the Japanese investment houses are keenly interested in India as an investment destination. Daiwa House from Japan has recently invested in Mumbai based Poddar Developers and VBHC Value Homes. The office space segment is also attracting the investors as the smart city programme of the government has already kick started.

1.3. Real Estate (Regulation and Development) Act, May 2016

The Act aims at formulating rules to protect the interests of home buyers in India and Organising the institutional infrastructure in the country. The act came into enforcement from 1st May 2016. The act covers three Main aspects viz. Registration, Protection and Tribunal.

- a) Registration with Real Estate Regulatory Authority (RERA) is Mandatory for launching a project: The registration is mandatory for those developers who intend to build more than 8 apartments or have acquired a land over and above 500 sq. mts for development. The developers who are awaiting completion certificate need to register within 3 months. The turnaround time for acceptance or rejection by RERA is fixed at 30 days. A penalty of 10 % of the project cost is applicable if a developer fails to register or he/she shall be liable for imprisonment up to three years. The registration is also mandatory for real Estate agents or brokers. The Developers and the agents will be issued a unique registration number for each project and state or Union territory respectively. This unique registration Number needs to be quoted in the all the transactions facilitated by the Brokers. The Builders need to utilize 70% of the funds collected from buyers to be used only in the project and will be liable to pay interest to buyers in case of delays. According to Section 20 of the act, state governments have to establish the regulatory authorities within one year of the law coming into force.
- b) Protection of Buyers: The Act has a provision for the builders to mandatorily quote the price for carpet area (the net usable floor area of an apartment, excluding the area covered by the external walls, areas under services shafts, exclusive balcony or verandah area and exclusive open terrace area, but includes the area covered by the internal partition walls of the apartment) and not on the Super Built area. This will benefit the customers as they will not be charged for unusable areas. The transparency in the transaction has been increased by making it mandatory that 70 % of the value of the units need to be paid through banking channels.
- c) Real Estate Regulatory Authority and Appellate Tribunal: The objective of the authority is to ensure timely completion and handover of the projects. The Tribunal will decide on disputes over orders within 60 days. Real Estate Appellate Tribunals will be formed within a year by April 30, 2017.

1.4. Advantages to the Customers / Buyers

- a) Easy Diligence: When a buyer approaches a developer to buy a house he/she needs to depend on the information furnished by the sales / marketing personnel of the developer. There is no mechanism to verify the authenticity of the information provided by the developer. The details regarding the project which need to be verified by the buyers are essentially the title of the land, Statutory approvals, Building Plans, Layout details, Encumbrances of the property, Road widening provisions of the layout / plot, Urban / Municipality / Panchayat authority approvals. The details regarding the project cannot be cross verified by the customers directly with ease. As per the act when registering a project the developer needs to submit the details of the Promoters of the project, Layouts of the project, Status of Land title, Status of statutory approvals, Detailed plans of the development of amenities and access to the site, Builder Buyer agreements, Details, Names and addresses of the contractors, Architects, structural engineers executing the works and brokers or the middlemen participating in the sale of the units. The Details of the project and the stakeholders will be made available online when approving and sanctioning a registration number to the developer of a project. Updating the information is mandatory for the developer. The current status of the inventory with respect to sold and unsold units must be uploaded mandatorily. The current status of the project and the buildings need to be uploaded along with architect certificates for record. It will facilitate the buyers to know the information on defaulting developers. Any project delays would also be readily available in the website.

- b) **Advance Payment and Agreement:** The buyers were making an advance payment up to 10 % of the consideration value of the house as a market practice. The builder buyer agreements were shared by the developers post making the advance payment. In such scenarios, if the buyer was not agreeable to certain terms and conditions in the agreement, he/she did not have the freedom to withdraw completely along with a complete refund. Either the buyer had to forego the advance payment or pay cancellation charges as per the rules stipulated by the developer. The schedule of signing the agreement was in control of the developer. The Buyer also has no rights on the apartment till the agreement is signed. Hence the buyers were compelled to forego / pay penalty for withdrawing from the deal. The act now enforces the developer to submit the draft of the agreement of sale (Developer –Buyer agreement) as an essential pre-requisite for registering the project.
- c) **Escrow account:** The reason for project delays in the realty sector has one major reason i.e. diversion of funds by the developer. The payments collected from the buyers were being utilized by the developers for acquiring land parcels. This would result in the reduction of working capital in the project thus resulting in delay in payments to work contractors, suppliers, architects and other working groups. The developers would delay the project and then launch the other projects in the newly acquiring land parcels. The monies received from those projects were then utilized to fund the initial projects. The customers were indirectly funding the developer's expansion plans by bearing the additional cost of interest over their home loans which they avail from banks. Needless to say that the self-funding customers would bear the interest loss on their savings. To mitigate this inherent problem in the sector the act makes it mandatory for the developers to open an Escrow account in a bank for each project separately. Seventy percent of the monies collected towards construction from the customers need to be deposited in this account. The amount can be withdrawn in proportion to the progress made in the construction. The same would be certified by an approved chartered Engineer, Chartered accountant and an architect. This enforces a moral and ethical responsibility on the professionals certifying the progress of work. The customer would be able to view the certifications in the website that being updated by the builder under the supervision of RERA.
- d) **Penalties:** Any default by the builder or developer on disclosure of facts with respect to project details and progress will attract a penalty of 5% of the project cost. The flouting of rules may also result in cancellation of the project. This regulation boosts the customer confidence and assures him / her that correct facts are being disclosed by the developers.
- e) **Incomplete projects:** Some of the builders have either halted the projects or have abandoned the projects half way. The act addresses such cases and gives the autonomy to the customer association formed by the allottees to take over the project. However, their basic premise is to get either the monies back or the get the completed houses. Primarily the allottees will have the right to get the monies back along with the interest from the developer. The allottees can approach the RERA to get the project completed through another builder / developer. The Buyers are now protected to some extent if the developer fails to complete the project they have invested in.
- f) **Faster Judgements:** The consumer Redressal forums were the only recourse to the buyers. However the paces of judgements were relatively slow. With the government's initiative to form the new body and the turnaround time for resolution being fixed at 60 days, there is ray of hope for the buyers. The effectiveness and speed of the same is yet to be tested.

1.5. Some of the Challenges in Implementation of the Act which Buyers should be aware are:

- a) **Updation of Land Records:** The Updation of the land records across all the geographies is a mammoth task and the same may take time. The availability of the same online can still be a challenge. Hence a due diligence by the buyers from the local land development authority / Municipality or panchayat may still be needed. This would need an additional effort from the customer as the interpretation of the documents is not easy. The updation of the market rates and their parity with the circle rates need to be established since there is a gap in these rates in most of the localities.
- b) **Funds Dedicated to Project:** The act regulates the developers to allocate 70% of the funds to the project. The onus is on the builder to inform however it is to be noted that architects and the accountants are all paid by builders, and they may make reports as per builder's suitability and convenience. How will cash transactions be accounted by the builders is not clear. There is still a scope of 30 % transactions being in cash which may be difficult to account for. The primary reason is that the labour payments and some minor procurement are still made in cash in this industry. There is also scope for delays and disputes in withdrawal of funds from the escrow account. This in turn may become a reason for delays. Litigations may come up jeopardising the construction projects.
- c) **Higher Cost of Units:** The cost of compliance will also affect the rates of the units. The costs may be escalated by the builders in the current scenario of regulation which the buyers need to be aware of.
- d) **Revocation of registration of Incomplete Projects:** In Case of incomplete projects under the Act, if the registration is revoked by the regulatory authority then who will be responsible for completing the construction, it's the association of the allottees or some other builder? How will the cost escalations be managed? How will the regulator address the concerns of vast number of projects which have been abandoned by the builders? And most important of all who will bid for the project?
- e) **Faster Judgements:** The consumer courts were set up to give fast redressal, within 3 months, under Section 13(3A). However they have failed to deliver. How can the judgements be faster from the new regulatory body is still not clear.

1.6. Emergence of REIT

REIT will help individual investors enjoy the benefits of owning an interest in the securitised real estate market. The greatest benefit will be that of fast and easy liquidation of investments in the real estate market unlike the traditional way of disposing of real estate.

"A Real Estate Investment Trust (REIT) is a trust which holds real estate assets viz. buildings, office premises, land banks, etc. The units or securities of REIT are required to be listed on a recognised stock exchange and it provides retail investors an opportunity to indirectly hold stake in real estate assets" (Definition adopted from Wikipedia)

Securities Exchange Board of India (SEBI) introduced the REIT regulations and in September 2014 issued the final REIT regulations wherein a REIT duly registered with SEBI can be set-up as a trust under the Indian Trust Act, 1882. The government and SEBI through various notifications is in the process of making it easier to invest in real estate in India directly and indirectly through foreign direct investment, through listed real estate companies and mutual funds.

The structure of REIT gives a clear picture of the chain of transactions such as:

- (a) Collection of investments from various investors;
- (b) Investment in real estate properties to earn income; and
- (c) Repatriation of the income of the REIT to the investors.

The emergence of REIT has opened up an additional window of investment for the investors. The developers had generally two categories of buyers i.e. End users and Investors. The investors contribute to major sales volumes as much as end users. However they are detrimental to the developers business as they either take the benefit of appreciation or undersell when in stress. Thus the developer is at a loss in the long term. The emergence of the REIT has created an opportunity for the developer to form the trusts and invite capital from the retail investors. This will create an opportunity for the developers to raise capital. The investors also have an option to invest in the realty route through the REIT.

2. Need for Change in Customer Orientation of the Real Estate companies

With the emergence of the act it is extremely essential for the real estate companies to build an environment that focuses on adherence to the regulation and most importantly be transparent and customer focussed. The lack of transparency in operations was one of the reasons for the sector being branded as unorganized and unregulated. The customer confidence levels had hit the rock bottom in the recent past. To regain the confidence the realty companies need to build a customer relationship mechanism which focuses on transparency. The Needs to connect with the consumers and understanding their lifecycle and finance's is utmost important for the developers. The payment schedules need to be carefully planned. The project efficiencies and execution needs to be efficient. The time is now the most important factor and timely completion of projects without compromising on the quality is the key to future business. These factors drive the fact that the customer care assumes the most important activity in the post purchase phase. The consistent flow of communication and honest interactions will ensure to repose the faith of the customers. The Channels used to communicate with the customers are personal interactions, Email, telephone, Web Portal, Mobile app etc. All such channels which are using technology should be self-help enabled. The turnaround time for response is very critical as the failure to redress that same lead to a dispute at the tribunal. Such disputes are not healthy for the developers as they escalate legal costs for the project. There is wide choice of projects for the customers to invest. The piling stocks of unsold inventory in the market make it more competitive for the developers. The developers need to aim at aggressive marketing strategies and campaigns, sustainable follow up mechanism, Building a strong pipeline of leads and high conversion ratio of walk –in. Servicing the customers and ensuring high satisfaction levels can be a key differentiator for the developers and the role of strategic customer relationship management becomes extremely important. There has been a paradigm shift in the approach of realty players towards customers in the country. Professional management has replaced the family owned business approach. Efficiency levels are being built into the systems by introducing strategic planning and management of critical operations like Project Management, Client Management, procurement, Design, Manpower management and Construction Technology.

3. Concept of and definitions of CRM: A Theoretical Perspective

Payne and Frown's definition of CRM is the *most cited definition* of CRM. They defined CRM as:

"CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and co-create value with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications."

The below table lists the definitions of CRM that are Compiled from various sources

Author	Definition	Critical theme
Shoemaker, M. E. (2001)	CRM is the technology used to blend sales, marketing, and service information systems to build partnerships with customers	<ul style="list-style-type: none"> • Role of Technology in integrating the functions
Parvitiyar and Sheth (2001)	CRM is a comprehensive strategy and process of acquiring, retaining, and partnering with selective customers to create superior value for the company and the customer	<ul style="list-style-type: none"> • Strategic approach towards acquiring, retaining and partnering
Bergeron, B. (2002).	CRM can be defined as a dynamic process of managing a customer-company relationship such that customers elect to continue mutually beneficial commercial exchanges—and are dissuaded from participating in exchanges that are unprofitable to the company.	<ul style="list-style-type: none"> • Managing customer company relationship • Mutually beneficial exchanges • Exchanges that are unprofitable should be moved away from
Buttle (2004)	CRM is the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality customer related data and enabled by information technology.	<ul style="list-style-type: none"> • High quality customer data enabled by Information Technology.
Zablah, Bellenger & Johnston(2004)	CRM is defined here as “an on-going process that involves the development and leveraging of market intelligence for the purpose of building and maintaining a profit-maximizing portfolio of customer relationships”	<ul style="list-style-type: none"> • Process • Leveraging of market intelligence • Profit maximization
Foss, Stone& Ekinci (2008)	A CRM system is a technology-based business management tool for developing and leveraging customer knowledge to nurture, maintain, and strengthen profitable relationships with customers.	<ul style="list-style-type: none"> • Technology based business management tool

Table 1

The CRM enables the company to gain a competitive advantage in the long term. It enables creation of the value for the customers and the organisation in the long run. CRM can act a business strategy to evaluate and manage the needs of the existing and future customer's. CRM drives the Organisations to conduct market research to understand the customer needs and wants. CRM is a driving force to shift from the traditional approach to a customer centric approach. CRM Integrates people and processes with the help of Technology to execute the essential functions of customer engagement and interactions. The Functions like sales, marketing, Customer Care and field support are highly impacted by the CRM practices

4. Challenges Faced by Real Estate Developers

The real estate developers in the country are facing some of the below problems which impact the buyers directly or indirectly. Some of them are listed below:

1. Shortage of working capital and blockage of potential funds in under construction properties and land parcels.
2. Return on Investment for advertising and marketing costs incurred is not factual but based on guestimates. Thus the cost effectiveness of such campaigns can't be measured. The Lead conversion ratio and the source need to be identified precisely for such conclusions.
3. Customer Satisfaction is area of concern as the transparency has been an issue in the Indian realty sector and the customers are not happy about the same.
4. Leads are generated at the cost of developer but the conversion of the same is not tracked with perfection. Sometimes the developers end up paying commissions to middlemen even though if the lead is generated because of the developers marketing efforts.
5. Real time inventory management and visibility to the sales team is lacking and hence the efficiency levels on closure of deals is impacted thus increasing value of per unit sale
6. The lack of Construction intelligence, efficiency and poor projection of Collections is impacting the builders adversely. This activity needs real time monitoring and most of the builders have failed to use the technology and implement business intelligence effectively.
7. Reconciliation of customer balance dues and timely collections is extremely essential and a delay in the payments due from the customers has adverse impact on construction cycle and procurement.
8. Builders lack Control over Information Leakage and thus loose business to competition and brokers.
9. Developers find it challenging and are still adopting tedious ways to find Customer's requested information
10. Developers generally adopt a collections strategy based on estimates and not factual real time data. This can be addressed by having a robust collection mechanism and executives who can follow up for payments due from customers on a real time basis.

11. Increasing competitiveness among the builders and wide variety of choices for the customers. The Builders need to adopt the value selling approach instead of the commodity selling approach.
12. Uniqueness of the projects in terms of their location, price, amenities and offerings throws a major challenge for builders in terms of their positioning strategy. Building some value proposition vis,a vis competitor is a difficult task which needs professional help.
13. The Lead to conversion ratio is relatively low and hence a healthy pipeline of leads is extremely essential. Increasing walk-in and generating the leads via marketing campaigns is a high cost activity. Cross selling and up selling is a major challenge being faced by developers in the current scenario?
14. The property related decisions are time taking and involve multiple customer interactions. Keeping a track of the interactions and assessing the customer’s intent correctly is extremely essential. Clinching the deal is largely dependent on the ability to connect with the customers and create a value proposition for them.

5. Functions of CRM in Real Estate Environment

Real estate entities have been facing tough competition and to stay ahead they need to adapt to strategic technologies that are customer centric in the form of CRM system. There is a need for continuous innovation in this industry. The CRM process can be better understood and customer interactions can be better planned by understanding the business flow depicted in the below Figure.

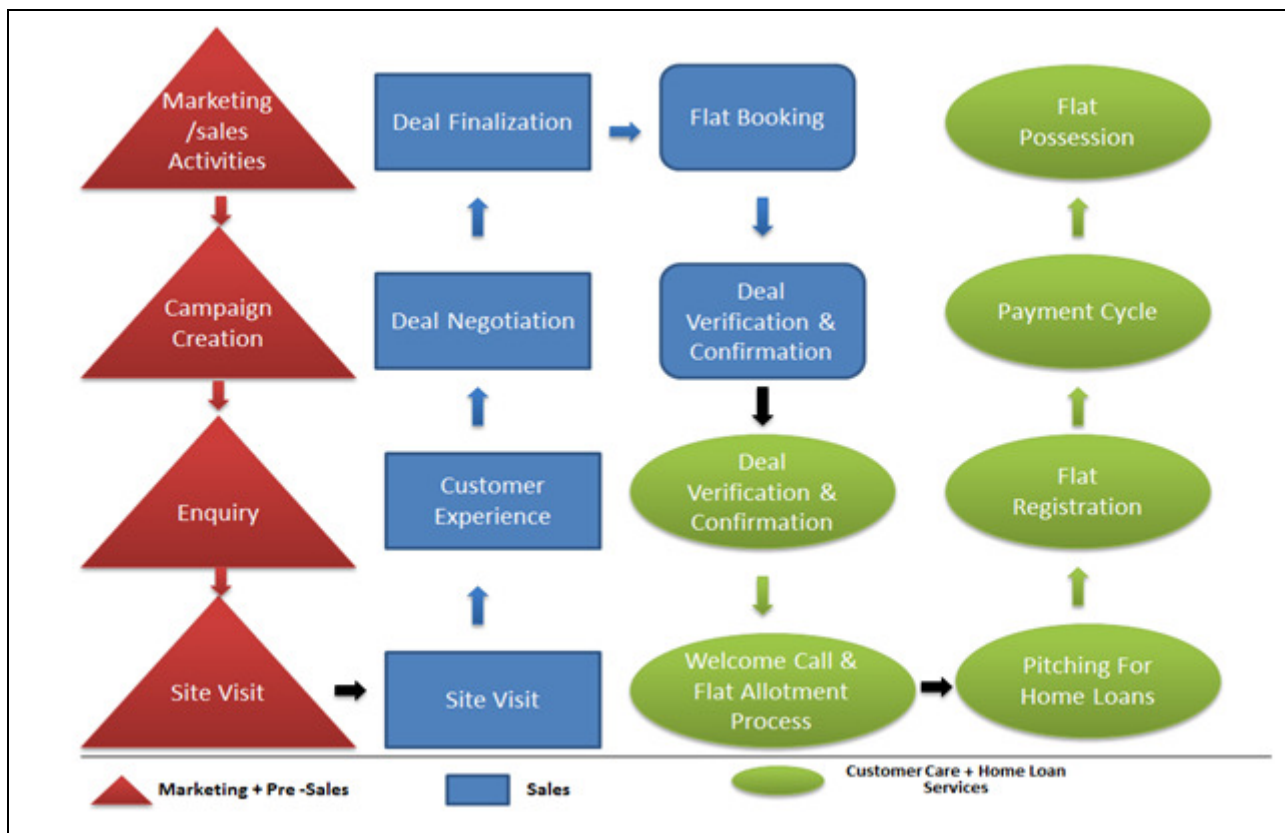


Figure 1: Business Flow in a Real Estate Entity
 Note: The above process Model is developed by the author’s for the study

Real Estate CRM function has four major functions which actively interact with the customers during the pre and post sales stage. The CRM can be designed on the basis of below main functions

1. Marketing
2. Pre sales
3. Sales
4. Customer Care and Home Loan Services

The Functional Flow is depicted below in the Figure which is top to bottom approach for each function.



Figure 2: Functional Process Flow in a Real Estate Entity
 Note: The above process Model is developed by the author's for the study

5.1. Marketing

Marketing involves creation of campaigns before the launch (BTL) and after the launch (ATL). CRM assists in developing the marketing activity in a disciplined and holistic approach. The Marketing calendar is formulated and executed with proper integration to financials. A proper Marketing plan is created with an objective to give a centralized view to management. It enables Management to have overall control on the process. The steps include

- a) Launch and Pre launch Planning
- b) Listing before the launch and after the launch activities
- c) Creation of campaign
- d) Approval process
- e) Lead Generation
- f) Adding campaign members
- g) Tracking Campaign statistics

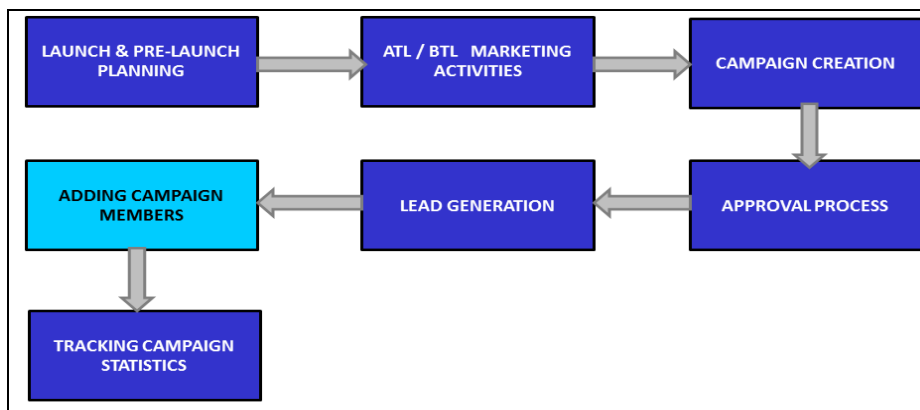


Figure 3: Marketing Business Flow
 Note: The above process Model is developed by the author's for the study

Effective CRM helps in leveraging the data from external sources and design a campaign based on various customer attributes. It helps in segmentation and scalability of targeted audience. This enhances the overall marketing productivity by increasing the conversion rates and thereby reducing the campaign costs. Effective campaign management is essential for the Customer focussed organisations. The campaign is to be reviewed by the management and post approval qualifies into an ATL or BTL Category. Real Estate companies have two different categories of campaigns as per the timing. The Projects are launched post acquisition of land and the campaign is totally driven by the factors like past performance of the developer on delivered projects, Customer authentications, advertising campaigns and the new amenities, first mover discounts and advantages and exclusivity of the project. Such campaigns are classified as before the launch campaign (BTL). The ATL category refers to after the launch campaign in which the campaign focuses on the response from the customers, on-going booking offers, and discounts. The third most popular campaign adopted by real estate is for corporates. The corporate discounts are offered to encourage bulk deals. The below Figure suggests a process flow for enabling the campaign management in a CRM system.

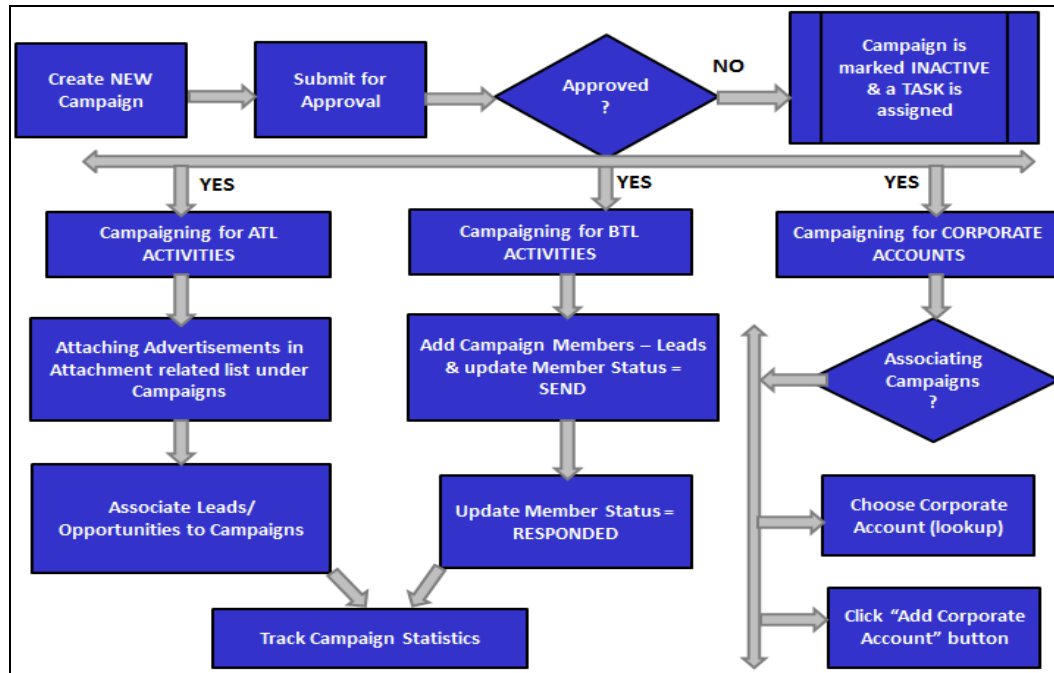


Figure 4: Campaign Management

Note: The above process Model is developed by the author's for the study

5.2. Pre Sales

The pre sales function essentially manages the Leads and ensures their assignment and conversion. The Leads are aggregated from various sources such as web, telephone, email, Relationship Managers, Referrals etc. A world-class CRM plays an important role in generating highly qualified leads and following-up on every lead to closure. It allows leads to be generated from multiple customer interaction points and enables high lead conversion rate by prioritizing leads based on intelligence.

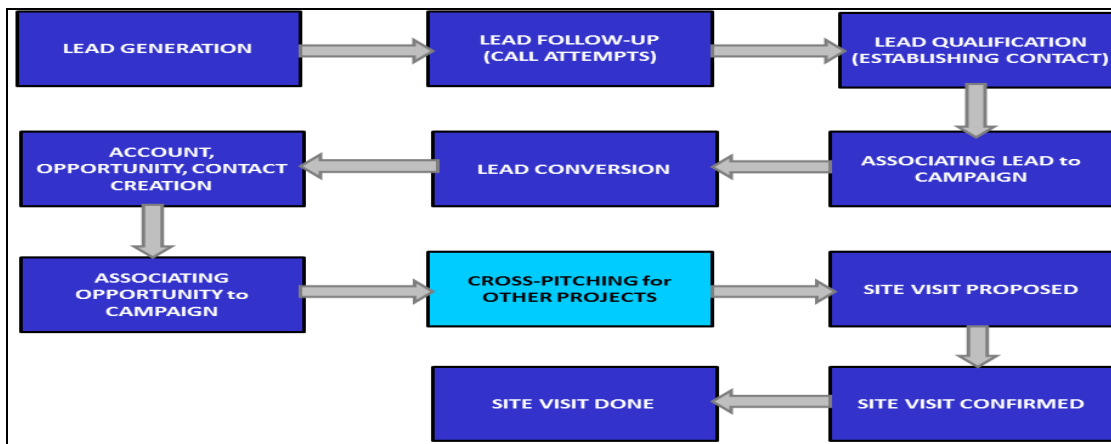


Figure 5: Pre sales Business Flow and Lead Management system

Note: The above process of pre sales Model is developed by the author's for the study

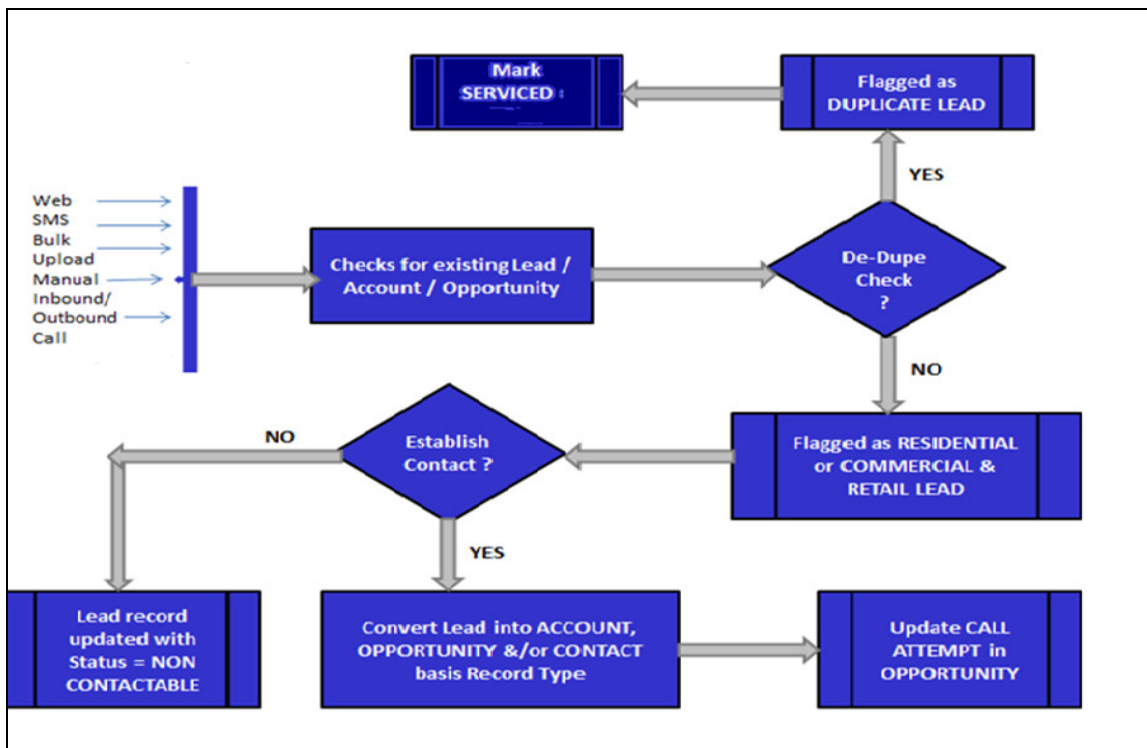


Figure 6

Note: The above process of Lead Management Model is developed by the author's for the study

5.3. Sales

The sales process involves invitation of the customers to the site and exhibiting the model / show apartment. Basis the customer experience and interaction the deal is negotiated with the customer. Post finalization of the deal a summary of the price sheet is shared with the customer. The consent of the customer is obtained on the deal form which confirms the prices agreed towards base price and amenities. The CRM system helps in variety of mechanisms to track and manage communication with the prospects/ customers during the sales process. It also offers productivity tools to increase sales effectiveness by adopting a structured sales processes and centralizing prospect communications, including management of quotes, and contracts.

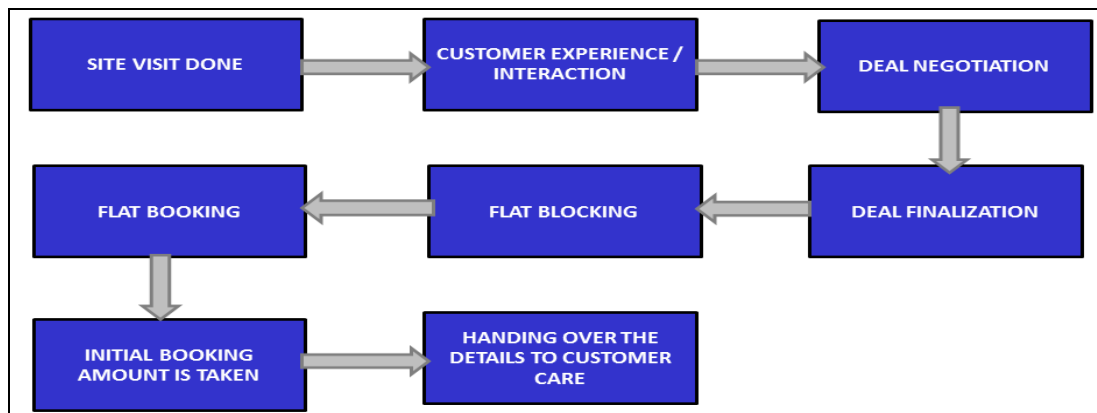


Figure 7: Sales Process Flow

Note: The above process Model is developed by the author's for the study

5.4. Customer Care

Account management is very critical in a real estate company as the one has to communicate with the customer on numerous occasions such as demand letters for payment, milestone completion, maintenance related communications etc. Most of these issues are sensitive and any errors can cause a serious damage to the customer relationships. With the help of CRM systems, it is possible to configure and trigger automated communications through email and mobile messages. CRM provides means to facilitate effective customer servicing by maintaining and making available all the relevant data related to its key customers. CRM helps to manage the customer segmentation exercise with ease. With a host of filters, based on data available about the customers, the real estate companies can make informed decisions and effectively plan their communications, promotions to their customers. Loyalty

Management can be effectively managed with the support of CRM since lot of details about the customers/prospects are typically captured in the system. It is possible to use this information effectively using automated workflows in the CRM system. An example would be to send out birthday greetings, wishing on special memorable occasions and so on. For an existing customer, this could also mean sending out updates on new properties coming up, sending out referral scheme. All of these actions can help a lot in building strong customer relationships. The Loyalty and referral programs can be easily managed with the help of a CRM system. The process of evaluating the application form is referred to as FAME (Form acceptance for Management Execution) in the below Figure for deriving the process flow.

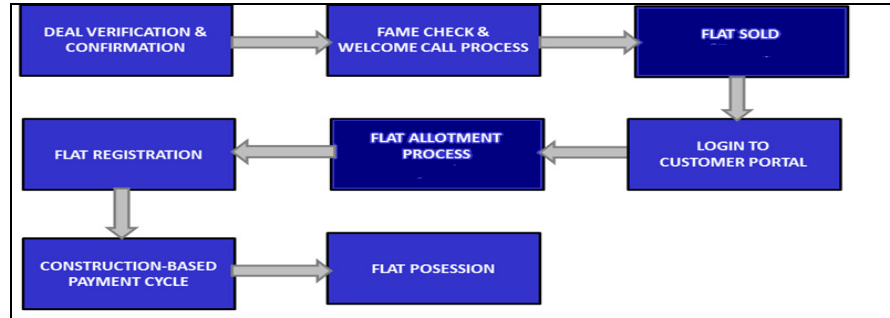


Figure 8: Customer Care Business Flow

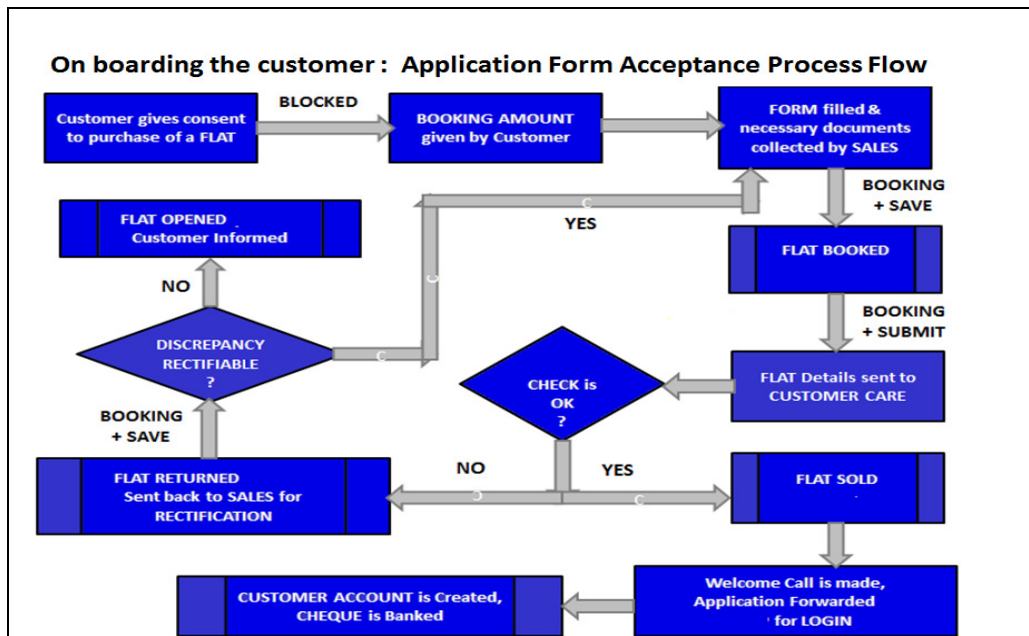


Figure 9

Note: The above process Model is developed by the author's for the study

6. **Home loan** services if provided by the developer through tie up with financial institutions and banks proves to be a competitive edge that a developer can build over competition. The Banks and Housing finance companies pre approve the projects by conducting the due diligence and approving the project for Home Loans. This helps creating a higher confidence levels about the project among the buyers. However the quantum of loan sanctioned would depend on the individual buyer's eligibility. The Banks have a list of pre-approved projects published in their websites which become a source of information for the potential buyers. They allocate an APF (Approved project Financial Number) to the project.

7. How do You go about Choosing Your CRM System?

Adopting a CRM is a critical decision which the management should execute carefully. The organisation process flows need to be established first and then the CRM which is most suitable to the organisation must be chosen. The CRM IT companies offer complete customisation to the organisation requirements. Some of the popular CRM providers operating in the market are SFDC (Sales force dot com), Sugar CRM, Seibel, Clarify, CRM Next etc. When introducing or developing CRM, a strategic review of the organisation's current position should be undertaken. Organisations need to address four issues

- What is the core business or business segment and how will it evolve over a period of specified time span.
- Which CRM is appropriate for the business now and in the future

- Review of current IT infrastructure and the upgrades that are needed to support the future organisation needs.
- Vendors and partner options currently in the market and how to choose.

7.1. Steps to Select a CRM

- Step 1: Write down CRM objectives involving the Core Team in the exercise.
- Step 2: List the available CRM solutions in the market and evaluate basis the features
- Step 3: Assign weight ages to the important parameters and compare.
- Step 4: Hire a CRM expert to manage the CRM function.
- Step-5: Upkeep and Upgrade in line with customer requirements.

7.2. Functional Checks when Adopting a Real Estate CRM

1. Technology plays pivotal role in CRM. Hence the latest technology options must be explored and evaluated.
2. CRM involves the use of databases and data mining and hence the CRM must be capable of interpreting the data into meaningful information and reports.
3. Capability to keep a record of customer's names and contact details in addition to their history of buying products or using services. This information can be used to target customers in a personalised way and offer them services to meet their specific needs
4. CRM must be capable of sending personalised communication to the customers. This provides value for the customer and increases customers loyalty to the provider
5. Ensure Proper integration of the CRM software with the ERP system.

8. Conclusion

Real Estate was unorganized at large, but the recent development has not only regulated the industry in India but also has laid a foundation for a better tomorrow. It has created an opportunity for the real estate entities to emerge as organized players. Real estate is as competitive as any other sector and has the potential to be as organized as the FMCG sector. Most of the organized players in the realty segment have already adapted to professional management and are shaping up to be Multinational players. This calls for good systems and processes and a customer centric approach. CRM and Technology help the real estate companies achieve this objective. Adoption and Implementation of effective ERP systems and their effective integration to CRM will help organisations to achieve global standards. This will enhance the customer's confidence in the realty companies. Adoption of Global standards will definitely ensure cost efficiency and improved time management thus reducing the project delays. Better regulation will inculcate better financial discipline and ensure faster development cycles. This will enhance brand image of the companies to gain strategic and intangible benefits.

9. References

- i. [Bergeron, 02] Bergeron, B, CRM: The Customer isn't Always Right. Journal of Corporate Accounting & Finance (Wiley), 14(1), 53-57
- ii. [Foss, Stone & Ekinci 08] Foss, B., tone, M., & Ekinci, Y. (2008) what makes for CRM system success — or failure? Journal of Database Marketing & Customer Strategy Management, 15(2), 68-78. doi:10.1057/dbm.2008.5
- iii. [Parvitiyar,Sheth,01] Parvitiyar, A& Sheth, J. N. (2001), Conceptual framework of customer relationship management. Customer Relationship Management–Emerging Concepts, Tools and Applications, Tata McGraw Hill, India, pp.: 3-25.
- iv. [Payne& Frow05]. Payne, A., & Frow, P. (2005). A Strategic Framework for Customer Relationship Management. Journal of Marketing, 69(4), 167-176. doi:10.1509/jmkg.2005.69.4.167
- v. [Shoemaker, 01] Shoemaker, M. E. (2001) A Framework for Examining IT-Enabled Market Relationships. Journal of Personal Selling & Sales Management, 21(2), 177.
- vi. [Zablah, Bellenger,& Johnston04], Zablah, A. R., Bellenger, D. N., & Johnston, W. J. (2004),Customer Relationship Management Implementation Gaps. Journal of Personal Selling & Sales Management, 24(4), 279-295