The Effects of the Internet on Real Estate Marketing in Gwadar, Pakistan

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ABSTRACT

The paper is about the control of speculations and fraud cases in real estate marketing using the internet. The area under consideration is the new port city Gwadar. The deep Sea port of Gwadar has been constructed with the cooperation of Chinese government in 2002. Gwadar Development Authority has been established in 2003 as a statutory body for the city planning and execution, but not a single piece of land is under control of this Authority. The area has a significant location in the region for investment and also has scenic beauty. People all over the country and abroad are interested in investing in real estate in this area. Currently, it is a small town, less developed, poor infrastructure and far from the main cities of Pakistan. So visiting Gwadar is not feasible for everyone in this condition but on the other hand, there is no doubt that the land of Gwadar is precious for future. Most of the people who can invest in Gwadar but don't because of fear of fraud cases in the private real estate market. In this paper we have addressed the problem how this land can be made accessible to everyone. I suggested that the internet can be the right mode of real estate marketing in this area with the involvement of No Objection Certificate (NOC) issuing authority (GDA). GDA is making the map of Gwadar on GIS, which can be utilized in this scenario for the benefits of the people. After our survey to the market, it is concluded that provincial government should make a policy that the internet will be the only mode of transactions in real estate marketing in Gwadar with the involvement of government sector. GDA may provide the GIS map of the area and updates about the NOC’s of each scheme on internet. Finally, GDA may use its Computer Cell for providing confirmation email to every investor whether his/her scheme/plot is valid or not.

Keywords: Gwadar, Internet, Real Estate, Marketing

INTRODUCTION

Technological advancements have changed human life drastically. There are advantages and disadvantages of these new advancements in technology, which we are facing nowadays. This study is about how we can apply this technological advancement in a positive way for the betterment of our everyday life and also our business like real estate marketing. When a new city or an area develops, first of all, the second category of investors, laborers and skilled people move towards that area. These are, we can say, the people who can’t get a chance to enter into any existing market for business. In this process of new people
(investors’ large scale) movement in that area, some time becomes good for the rest of the people and sometimes becomes a bad experience for others because most of them want to get quick success, fair or unfair means. In such conditions, government can be the only source to save people from frauds. In the present work, it is studied whether this new advancement in technology can be used for government to save people from fraud cases.

Gwadar has been selected as a case study, which is a new port city of Pakistan and situated on South-western Coast of Pakistan. The work on the port has started in this city in 2002 with the cooperation of Chinese government. Simultaneously, it has been felt that for the active role of the port there should be a full-fledged city to facilitate it. Which should have sports facilities and tourist points to attract people. For realizing this dream, the Government of Pakistan established Gwadar Development Authority (GDA) in 2003 and handed it over to Provincial Government as a statutory body. GDA is responsible for the planning and execution of the city but didn’t own the land in Gwadar town. The private sector was encouraged for investment in the area, due to which; a few problems came into being. First, the land speculation occurred in the area and second people got cheated by real estate dealers.

Real Estate marketing has recently gone through a transformation because of the advent of modern communication means especially the internet. This transformation in real estate marketing has benefitted the market immensely. In addition, it has created a few challenges that need to be addressed.

**INTERNET**

In this day and age, the Internet is the new resource tool for the masses. It has changed the way we live in society and the way people interact with each other. As more and more people log on the Internet, it has undoubtedly changed the way people think and feel about each other and the world around us. When we begin to look at the ways it has changed society, we can see many reasons for its assimilation into modern life. First, it has given people a new way to communicate, through E-mail and web cams. Secondly, it is a sort of modern library where anything imaginable can be investigated, and finally, not only in the virtual sense has it changed the world but also in the physical sense. Millions of jobs have been created by way of the Internet, the economy and the way people purchase thing has also changed. Because of these reasons, the Internet has become a staple in society and will continue to influence our lives (Internet on Modern Society).

Economic development specialists from various economic research firms have come up with various ideas to encourage business over the internet as it is cheap and it can target a wide range of audience. Banking institutions provide easy transactions to support selling and purchases around the world irrespective of locations. Economic development specialists and economic speakers have embraced internet to be the backbone of information era and a source of economic growth. Where markets turn up or down with a small update of information on the internet. Because of internet based business communication placement of orders, approvals and money transfer has become very easy. Credit cards and internet banking has helped small business to display and showcase their products and services on their websites and reach the whole world irrespective of locations. Top brands across are world are making huge portions of their sales revenue by engaging in internet advertising. Top internet marketing companies like Google AdSense, Amazon, Commission Junction, Social Media Network, Chitika are helping many website owner to earn huge revenues through internet marketing and generating internet sales lead for major brands.
Social networking websites like orkut, facebook and professional networking website like linkedin and many more which has brought old friends and colloquies together. These networking websites have made individuals to be able to reach a complete stranger on the other corner of the world with a business proposal and do a healthy business and earn some money sitting at home. A new term was coined with the emergence of reliable internet services “online trading”. Many internet trading companies came into existence with best online trading solutions. This has enabled a common man to have easy axis to stock market and take some calculated risks with his investments by buying stocks on the internet.

Online trading has enabled a common man to have easy axis to stock exchange market and take some calculated risks with his investments by buying stocks on the internet. This electronic media also has its influence on Real Estate Marketing (Impact of Internet on the face of World Economy).

There was a research by Zhan YanHua on the rapid development of real estate investment; the increasing cost of housing continuously leads to increase of investment in China. He says that the real estate developments in emerging economies present tight working capital, low liquidity, slow payback, capital-intensive outflows that are not immediately recovered, and short to medium construction times. In the long run, these investments are attracting the interest of a banking sector, searching for more attractive returns and the diversification of its portfolio. Under the circumstances, with the aid of the Internet, the online real estate not only provides the convenience in selling, but also customizes individual service and also to satisfy buyers’ demand of knowledge. At present, more and more managers combine online service with real estate marketing, expecting to increase the response and purchase rate through the massive contact. And try to develop a new method to enhance the marketing efficiency of real estate projects (YanHua).

There was another study about the listing properties on the internet in addition to listing the same properties on the multiple listing services (MLS) affects the marketing time and price of the properties. Their results, based on a sample of 48,280 residential transactions, indicate that houses listed on the internet take slightly longer to sell and also sell for marginally higher prices. Each buyer is expected to find a better match and thus be willing to pay a higher price for their best match property. Thus, the properties in the internet market are expected to sell at a higher price but take 11% longer than houses not listed on the internet. The findings indicate that clients are probably best served by having their properties listed on the internet in addition to listing on the MLS (Ford et al., 2005).

The computer networks are inherently social networks, linking people, organizations, and knowledge. They are social institutions that should not be studied in isolation but as integrated into everyday lives. The creation of computer networks has facilitated and de-emphasis on group solidarities at work and in the community and afforded a turn to networked societies that are loosely bounded and sparsely knit. The Internet increases people social capital, increasing contact with friends and relatives who live nearby and far away. New tools must be developed to help people navigate and knowledge in complex, fragmented, networked societies (Wellman, 2001).

Social networks have attracted great interest in recent years, largely because of their likely relevance to various social processes, such as information processing, distributed search, and diffusion of social influence. In their research they analysed a longitudinal network data set created by merging three distinct but related data structures. First, they compiled a registry of e-mail interactions in a population of 43,553 undergraduate and graduate students,
faculty, and staff of a large university over the course of one academic year. For each e-mail message, the timestamp, sender, and list of recipients (but not the content) were recorded. Second, for the same population, they gathered information specifying a range of personal attributes (status, gender, age, departmental affiliation, and number of years in the community). Third, they obtained complete lists of the classes attended and taught, respectively, by students and instructors in each semester (Kossinets and Watts, 2006).

In a proposal for the utilization of social network technologies to implement adaptive business networks, organizations are increasingly reliant on models of coordination and cooperation. Traditional approaches to defining and implementing business processes are deficient in addressing cross-organizational models. Such models can be usefully supported by social networking technologies that have rapidly grown to be effective platforms for collaboration among individuals (Zeng et al.).

The business conditions have changed significantly since the first notions of networks in industrial marketing, which were made in the early 1980s. Globalization and the “new economy” are based on continuous change, the increasing use of information and communication technologies and complex networks of relationships between firms. The perspectives on how to conduct case research for understanding contemporary business networks. Four imminent challenges of case research that aims at theory development, the problem of network boundaries, network complexity, the role of time and case comparisons are discussed in this paper. Potential tools and ideas for solving these problems are put forward. A multicounty research project on business networks is used as an illustrative example (Halinena and To¨rnroosb, 2005).

The knowledge economy, technology, innovation, productivity, competitiveness and the new productive economy, the information technology and its impacts not only in USA but also all over the world. In the second part of the book they discuss the reasons of why Europe legs behind the United States and why various European economies differ in Innovation and productivity. In part three of the book they discuss organizational reform and technological modernization in the public sector for this topic they used five different papers and saw the issue like uses of internet and mobile technology in health systems, organizational and social issues in a comparative context, E-learning and the transformation of education for a knowledge economy and reshaping the state and its relationship with citizens. Then in part five they discuss the network society, global and local where they talk about Internet and society in a global perspective and E-topia: Information and communication technologies and the transformation of Urban Life. Then they discuss the challenges of the Global Information Society (Castells and Cardoso, 2005).

Literature review highlighted the benefits of internet modern economy and social context. We can simple say internet is a new technology but adopting it very necessary if we don’t adopt it now we will be kept behind as we remained when the printing press was invented. The printing press was invented in 15th century The King of the richest nation on world of that time, Shehenshah Jalaluddin Akbar of Hindustan, banned it in his country arguing that these mechanical tools can’t compete with our calligraphers. That was the turning point. The art of calligraphy may have flourished but everything else headed westward. The press made the quick transfer of knowledge possible and things that were only available to the elite started becoming available to the commons. It is the rule of progress that it progresses progressively. That means you have to remain alert and run in step with technology or else you will be left far behind, so far that it would be difficult to catch-up ever again. Internet has devised a whole new approach of viewing economy and business systems for every individual. Things have become easier and faster
than one could have been imagined in the past. These days everyone has to accept the existence of internet or they have to accept being called outdated in the world of World Wide Web which has coined a new era called the information era.

**REAL ESTATE**

Real estate is a legal that encompasses land along with improvements to the land, such as building, fences, wells and other site improvements that are fixed in location—immovable. Real property is typically considered to be immoveable property. The terms real estate and real property are used primarily in common law, while civil law jurisdictions refer instead to immovable property. Real estate law is the body of regulations and legal codes which pertain to such matters under a particular jurisdiction and include things such as commercial and residential real property transactions (wikipedia).

**Real Estate Marketing/strategic factors**

Real estates are capital-intensive products in which long building- and advertising-processes are involved. The following things are important for its Marketing

**Location:** The most important strategic factor of real estate marketing is the location.

**Property Attractiveness:** Attractiveness concerns building architecture and interior decor. Both of these optical components have to last long.

**Productivity:** Especially productivity is a relevant factor of the users’ future prospects.

**Profitability:** Productivity depends on profitability. The higher the productivity of a property is, the higher the proceeds in rent or in purchase prices can be.

**Real Estate Marketing Methods**

There are following items which are important for Real Estate Marketing

**Advertisements in printing media:** As there are many advertising methods, most corporations or estate agents concentrate on advertisements in printed media. With advertisements real estate corporations absolutely present themselves on the market. Potential clients recognise the advertisement before contacting the corporation. Advertisements signalise that estate agents or firms look actively after their entrusted property.

**Relationship Advertising or Networking:** On the one hand relationship marketing comprises the social engagement of estate agents in organizations, associations and in local government politics; on the other hand it contains participation in official live at social events, invitations for public relations events or special occasions.

**Direct Mail:** Direct mails are mail shots aimed at individual households or at businesses selected through the post. Direct mails have to be orientated exactly to the target group. Therefore direct mails are used when there is no other alternative available.

**Public Relations:** Developing real estate projects particularly in phases of changes such as destruction or new building is often focused by public interest. They have the purpose to inform the public and to make sure that the public shows understanding and confidence in the project.

**Internet:** This electronic media has become an essential module of integral real estate marketing. Advertising through the World Wide Web is getting more and more popular. Firms can represent themselves 24 hours a day, so that they can win a better
image because there are no opening and closing times. Clients are able to view the offered real estates and properties anonymously, independent of time and place. In addition customers can compare the offers directly with others. Another advantage is that the firms are able to actualize their offers rapidly (Real Estate Marketing).

**INTRODUCTION TO GWADAR CITY**

Gwadar is a developing port city on the southwestern Arabian Sea coast of Pakistan. It is the district headquarters of Gwadar District in Baluchistan province and has a population of approximately 50,000.

Gwadar is strategically located at the apex of the Arabian Sea and at the mouth of the Persian Gulf and is the location of Gwadar Port, a newly-built strategic warm-water, deep-sea port.

Gwadar is one of the few planned urban settlements in Pakistan (others being Faisalabad (formerly Lyallpur), Jauharabad and Islamabad), which have been developed from scratch under an urban master plan.

**Geostrategic importance**

The Gwadar deep-sea port emerges as a place of great strategic value, enhancing Pakistan’s importance in the whole region, extending from the Persian Gulf through the Indian Ocean to Southeast Asia and the Far East.

Gwadar is located on the southwestern coast of Pakistan, close to the important Straits of Hormuz, through which more than 13 million bpd of oil passes. It is strategically located between three increasingly important regions of the world: the oil-rich Middle East, heavily populated South Asia and the economically emerging and resource-rich Central Asia.

Figure 1 Strategic location of Gwadar
MAJOR DEVELOPMENT

Gwadar Port Authority

In 1993, the Government of Pakistan commenced a feasibility study for the construction of a deep-sea port at Gwadar. On 22 March 2002, the Government of Pakistan began construction of Gwadar Port, a modern deep-sea port, the first phase of which was completed in December 2005. Gwadar Port became operational in December 2009.

Figure 2 Gwadar Deep Sea Port

Gwadar Development Authority (GDA)

Gwadar development authority (GDA), established in October 2003, is a statutory body. GDA is committed to develop Gwadar town as one of the Modern cities of the Pakistan. The responsibilities of this department as follow:

To regulate the Land Use and Implement the Plans.

To provides No Objection Certificates to the Public & Private project

To monitor the public / private schemes/project regularly till completion and also provide the public facilities

Making GIS database for the city developments step by step (http://www.gda.gov.pk/)

Gwadar Real Estate

Projects of Gwadar Port and coastal highway developed the real estate market of the District to such an extent that in a time span of 6 years Gwadar has emerged as the third
real estate area for investment after Islamabad and Karachi. Massive trading of Billions of rupees has been in the real estate’s by Local and foreign investors. Investment has been done and still continues in areas of Gwadar, Jewani, Kalmat, Pasni, Guns, and Pishokan.

![Gwadar Master Plan](image)

Figure 3 Gwadar Master Plan (Gwadar Development Authority)

Land has been brought by private sector investors investing in more than 100 real estate projects. 95% of the land of Gwadar, Jewani, Kalmat, Kappar and Pishokan areas is being brought either by private sector investors or being brought by government for potential development activity of Gwadar. Projects launched by private sector investors in Gwadar include Housing, Recreational, Commercial and Industrial schemes. Government (Local Government) has introduced two residential and commercial projects which are Singhar housing scheme and Newtown housing scheme. Both the schemes spread to 4 Phases with residential lots ranging from 400 square yards to 1000 square yards. Both schemes have received encouraging response and more than 95% of the plots have been brought and owned by private individuals.

There are list of private schemes which offer plots and a lot of building which provide offices and flats in Gwadar. Some of these schemes are authentic and got NOC from GDA and selling according to the rules and regulations of Gwadar Development Authority but there are a number of schemes which are not valid or sell more land in market instead of the land for which they had the NOC from GDA or some of those are very far locations. So mostly the small scale investors became the effective of fraud cases. There are approximately 73 housing schemes, 15 industrial, 6 commercial and 4 recreational schemes which have got NOC from GDA.
RESEARCH METHODOLOGY

This study has investigated the point of views and needs of people who want to invest in Gwadar real estate. Questionnaire and bar charts have been used for statistical analysis. Questionnaire used in this study contained five parts in it and each part contained 4-5 questions related to that topic. A total of 34 questionnaires were completed and a few interviews form government officials (Chief Secretary of Baluchistan, and Director General of GDA,) regarding government policy to support it. First analysis was about the sector where people were interested to invest, either in plots or in big investments like schemes etc. Second part contained the visits of sampled sized participants to the area. Third part addressed the perception of participants about the situation of existing real estate market in Gwadar. Forth described the preferences of the people right now in investment in Gwadar real estate and fifth part contained the people preferences when they have the choice of internet and manual real estate marketing with the government involvement. Participants were from various consulting agencies who deal in the real estate marketing in big cities of Pakistan such as in Karachi, Lahore and Islamabad. Total 100 people were asked to fill the questionnaire who were big and small current investors in Gwadar city.

RESULTS

In this section participants were asked in which type of investment are they interested such as they want to make their own housing scheme in Gwadar, they want to buy a plot in any government scheme, they want to buy a plot in a private scheme or they are interested to buy a banglow in Gwadar. Figure 4 shows that 70% of sample size is interested in government sector for investment because it is a remote area and people are not much aware with the area so people can only rely on government in such cases. Other category is who interested to make their own scheme or banglows in Gwadar. People who are interested in plots 76.05% belong to Karachi, 17% from Punjab and 5% from Gwadar. According to my analysis 52.9% of the investors got informed through media about this real estate and 17% visited the area while 23% from real estate dealers and 5% from internet. For investing in this area 58% people want to invest just for futuristic point of view and 41.11% said that the plots are affordable and are in their range. 58.8% of the investors who want to invest in plots are in their age of thirties, 23.5% in forties and 17.6% in their fifties who are interested in schemes or in big investments. So I can say that most of the investors are young who are interested in Gwadar Plots keeping in view their future and affordability.

Figure 4: Investment Sector
In this section the participants were asked whether they have visited Gwadar city or not. The results in Figure 5 show that 52.9% people visited Gwadar. Some of them were posted there or 5% people belong to the area. The other 47% who didn’t visit are mostly due to political fear in the area or it is far away, less developed and shortage of time. It was shown in graph 1 that most of the people are young or new investors in the market as well as in their lives. So it is difficult for them to leave their work as they must be at mid of careers and visit Gwadar.

![Figure 5: Visit to Gwadar](image)

This section asked about the perception of people about current real estate marketing in Gwadar city and the results in Figure 6 show that that there is a huge gap in good and not good of the existing real estate market of Gwadar. This shows that 95% people said that Existing Real Estate Market is not good while only 5% said that it is good. The sample size who said existing market is good mostly is those who are interested in making their own scheme. The people who believed that existing market is not good 41% of them said that there is lack of transparency in it and 52.94% said that there is no check and balance from government side and 5% said others (different reasons). When they were asked for suggestions for the efficiency of the existing market 88.23% suggested that there should be government involvement in private schemes marketing and only 11.76% didn’t reply to the question. This analysis shows that majority of the people say that existing real estate market in not good and that is because of lack of transparency and less government involvement in the whole process.

![Figure 6: Investment Sector](image)
This section was to ask about current preferences for investing in Gwadar city from participants and the results in Figure 7 show that the current preferences of people in the existing situation of real estate market of Gwadar reveals that 52% people are interested to buy a plot from Real Estate dealers but 41% said they will buy plot through internet if they will get a chance. Who preferred internet 23.52% of them said that everyone can get a chance to invest in real estate of Gwadar through internet and 35.29% said as it is a remote area there won’t be any need to visit the area, other 35.29% didn’t respond this question, while 5% claimed that how one can rely on internet. When they were asked that can internet be a safe mode of investing in Gwadar then 41.15 said yes it can be a safe mode of investment and 58.82% said, no it can’t be, because if the whole process would be given in the hands of real estate dealers they may cheat more to the people. In this analysis I can say that most of the people want to invest in Gwadar but they prefer safer mode without visit Gwadar.

Figure 7: Investment Sector

The section is about the investments in real estate in future if they have given a chance to invest in Gwadar real estate marketing through internet with the involvement of government sector and the results in Figure 8 show that majority like that there should be only one mode of real estate in Gwadar with the cooperation of government sector and that should be internet.

Figure 8: Investment Sector
In this category 82.35% people said that internet will be a good mode of marketing in Gwadar if government sector will be involve in the check and balance of the process and only 17.64% people said that internet can’t be a good mode but most of them also agreed that it will be a good mode in future. Those who said internet 64.70% of them recommended government that it should make a policy and them scaled 7, 17.64% people scaled 8 while 5% people scaled only 3 and 11.76% people didn’t scale. This analysis shows that people prefer internet more than existing real estate market but with the involvement of government.

**DISCUSSION AND CONCLUSION**

The marketing of these plots are done by private Real Estate Dealers in the big cities of Pakistan like Karachi, Lahore, Islamabad and Quetta. Small scale investors invested in this sector a lot but they couldn’t go and see the plots in real due to lack of infrastructure and facilities. The real estate dealers earned a lot in this business of Gwadar plots sold 1000 plots instead had got NOC for 300 plots. Therefore it is necessary to save the people from such type of fraud cases the Gwadar Development Authority started to transfer the whole Master Plan of Gwadar on GIS. The process is under process. The other thing which can be done to save people from fraud case the internet can be used efficiently for the marketing of Gwadar Plots. There the role of Gwadar Development Authority will be to monitor these Real Estate Dealers through internet and people can use it directly and can use Gwadar Development Authority’s website (GIS map) for confirmation of the NOC from GDA and its current situation as well as its location and distance for their satisfaction.

First of all this study concluded that government of Balochistan should make it a policy that the whole real estate marketing of Gwadar plots should be on internet. In this way real estate dealers can’t cheat people when this advertisement will come on media form government of Balochistan.

Second important role Gwadar Development Authority can play by keeping all its GIS maps on internet in everyone’s approach and the NOC status of all type of schemes on internet whether their NOC is valid or not as Gwadar Development Authority is the NOC issuing authority of all schemes in Gwadar District. Moreover Gwadar Development Authority should provide a confirmation email to every investor for the validity of the scheme in which he or she applied for a plot. For this purpose Gwadar Development Authority will need a separate cell to control all this activity through internet and it should keep a continuous check and balance to the whole process to save people from fraud or cheating.

This internet marketing in real estate with the cooperation of government sector should be applied in every newly constructed city where the whole land is not government property. In this way of government involvement in real estate dealing the people can be saved from speculations and fraud cases of private real estate dealers as people can’t be aware with the area. The software for GDA to control this whole process.

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