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INTERNET ADVERTISING OF REAL ESTATE AGENCIES

Preliminary communication

Abstract

In this paper, author discusses the use of the Internet as a medium for advertising of real estate agencies. The author defines the activities of a real estate agency and major primary social stakeholders with which real estate agents communicate via the Internet. Author than presents a mix of online marketing communication tools that real estate agency can use in all five phases of the sales process. Online advertising is the dominant marketing communication activity in the first and second phase of the sales process. Through an empirical investigation of online advertising of real estate agencies in Bosnia and Herzegovina, Croatia and Serbia, the author establishes the manner and intensity of use of the Internet as a medium for advertising. Author also investigates the attitudes of agents on the impact of intensive online advertising on profitability and business efficiency. The results show that the most common methods of online advertising of real estate agencies are: classified ads and display ads, while less common methods are online contextual advertising and online sponsorship. 67.5 per cent of respondents spend more than 10 per cent of their marketing budget on Internet, which is 5 times more than the average firm spending on Internet in the observed countries. Investigating attitudes of agents, the author comes to the conclusion that the agents consider Internet as the most cost effective media, and that the intensive online advertising and communicating via the Internet allows more profitable and efficient operations of the agency.

Keywords: *Internet, advertising, online advertising, real estate agency*