

Effectiveness of AI-Based Lead Generation and Market Segmentation in the Bangalore Real Estate Industry

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ABSTRACT:

AI is making giant strides in the digital marketing world to change the face of the industry especially in the residential real estate niche. From tailored communication and virtual property discovery to predictive lead scoring and targeted communication, AI is changing the way residential real estate is marketed in the digital marketing world. The trends are particularly relevant for a city like Bangalore that has high demand for housing, high and growing share of job creation in the tech sector, a growing trend of urbanization and concerns of infrastructure and water security at the top. The article covers the impact of AI in digital marketing on market dynamics and results for the residential real estate segment in Bangalore. The results show that AI-powered digital marketing tools can lower buyer search friction, enhance project visibility, boost the lead conversion rate and help with more targeted market segmentation. It can also add to the information asymmetry, draw attention to techno literate developers and reinforce misleading sustainability statements that need to be backed up. With water reliability, wastewater management, rainwater harvesting and long-term livability becoming more of a reality to housing-value in Bangalore, AI-driven marketing can influence not just sales results, but buyer perception of sustainable living. The article concludes that digital marketing with AI must be considered as a gamechanger in the market. The single most important factor in responsible use is to give buyers information, abide by the rules of RERA, support the infrastructure claims with evidence and communicate digitally in an ethical way so that the buyer can decide.

Keywords: AI-driven marketing; digital real estate; Bangalore; residential housing; market dynamics.

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1. Introduction

AI-powered marketing tools are revolutionizing the way developers' market and sell homes, impacting the homebuyer-developer-broker-digital platform dynamic, and the residential real estate market in Bangalore is during digital transformation. In past times, the property marketing in India was mainly based on the networks of brokers, on-site visits, paper marketing, outdoor marketing, and word of mouth. There are new practices that need to be integrated to these, but these are still relevant and include property portals, search advertising, social media campaigns, virtual walkthroughs, automated customer relationship management systems and chatbot-based communication. In the era of post-COVID-19, the trend is particularly evident in the property landscape, where online property discovery and virtual property evaluations are increasingly becoming mainstream in India's residential real estate market (Jain, 2022).

AI-powered digital marketing is another step away from traditional online marketing towards a more individualized, predictive and data-driven approach to engaging buyers. Recommendation engines can be used by developers to recommend projects based on budget, location and lifestyle. Predictive ads can recognize high intent customers from search patterns, and interactions with platforms. Chatbots can respond to inquiries regarding price, amenities, timelines, floor plans and site visits. Automated CRM software can help to categorize leads, set up follow-up meetings and minimize communication delays. These tools have a direct impact on the way buyers look for properties, compare them, understand the prices, develop trust and make a final decision to either move forward to visiting a property or to submit a purchase enquiry.

The city of Bangalore is well suited for the study as it has a diverse residential market, is digitally active and is a competitive market in terms of commerce. The buyers compare the projects in Electronic City, Whitefield, Sarjapur Road, Hebbal, Devanahalli, Kanakapura Road,

Bannerghatta Road and in other growth corridors. The price, job opportunities, facilities, project nature, rentability and lifestyle are different at each of these sites. Intelligent search functionality, location-based suggestions, virtual tours, and personalized project communication streamline this complexity with the help of AI-powered platforms. Meanwhile, these platforms can draw buyers' attention via sponsored listings, persistent retargeting, ranking mechanisms, and visibility. The real estate is therefore a more and more digital-mediated information market where the visibility of the project, the quality of the information and the quickness of the response and the credibility of the platform have an influence on the buyer behavior and the competition of the project (Baum, 2017).

The theoretical base of the study focuses on the digital marketing, technology adoption, consumer behavior and transparency in the real estate market. Digital marketing research reveals that Customer experience is tied to a number of stages in the customer journey, for example, searching, comparing, interacting with the platform, enquiring, following up, evaluation after the decision has been made (Lemon & Verhoef, 2016). This is very important to consider when selling a home, since a home buyer doesn't always make a quick decision. They go through a long process of comparison when it comes to price, project locations, amenities, developer's reputation, legal approvals, possession dates, financing options and family preferences. AI-powered marketing tools can help on this journey by enhancing the relevance, minimizing information overload, and boosting communication velocity.

It is important to have a good understanding of the concepts of technology adoption theory to fully appreciate why the adoption of AI-powered tools may be acceptable to buyers and developers. According to the Technology Acceptance Model, it is more likely that a user will accept a technology if he or she thinks that it is useful and easy to use (Davis, 1989). The use of AI-powered chatbots, recommendation systems, CRM automation, and virtual tours are

seen as tools that can enhance perceived usefulness by streamlining the process, providing clarity, and saving time in property evaluation. The diffusion of innovation perspective also helps the study as there are variations in the adoption of AI among firms. Some developers are limited to basic digital ads, while others include predictive analytics, lead scoring, chatbots, CRM dashboards, retargeting and campaign optimization. Technology adoption is facilitated by the perception of being beneficial, compatible with existing work practices and visible in the technology outcomes (Rogers, 2003).

AI maturity is a key topic of this article, therefore. Digital tools, by themselves, do not necessarily lead to better market results. A low maturity company can rely on stand-alone online ads, and a high maturity company can integrate its buyer data, CRM analytics, predictive lead scoring, automated follow-up, virtual tours and performance dashboards into a unified marketing system. Research on digital transformation indicates that value is enhanced by technology being integrated into organizational strategy, customer experience, analytics and operational decision making (Verhoef et al., 2021). This aligns with the theme of the article which is to compare the results of various levels of AI integration in Bangalore real estate companies.

Another crucial aspect of AI in residential marketing is buyer behavior. Buyer behavior is yet another crucial factor in the realm of AI in residential marketing. The purchase of a residential property is a high involvement decision, not only because it is a financial investment, but also because it is an emotional expectation, legal verification and commitment in the long-term. The digital stimuli of AI advertisements, chatbots, virtual tours and personalized recommendations can impact on internal psychological reactions like trust, perceived value, satisfaction and confidence in decision-making. Mehrabian and Russell (1974) suggest that the stimulus-organism-response model describes how the external marketing

stimuli can affect the organism's internal response, and subsequently its behavior. In the Bangalore real estate market, this could impact the visibility of their campaigns, generate enquiries, influence visitor intentions to visit sites, and influence the judgment of visitors regarding buying.

The literature also indicates that digital platforms can impact on the perception of prices and transparency of markets. Online platforms can assist buyers compare things like prices, amenities, location, possession stages, and claims made by the developer, on the other hand. Conversely, online representation can create unequal visibility, as some listings might be given more visibility because they are more highly ranked, because they are more visible on the platform, or because they are more likely to be selected by the algorithm (Boeing, 2020). This is significant in Bangalore where buyers evaluate projects in a few separate corridors which are far away and information about projects can be seen digitally, which can impact on the perceived value of the project before physical verification. To determine the effectiveness of AI-driven marketing channels in metrics like cost-per-lead, lead quality, site-visit conversion rates, sales conversion rates, return on marketing investment, and sales cycle length, marketing analytics is essential. Performance metrics are essential to gauge the value of AI-driven targeting in a competitive home market like Bengaluru, especially when it comes to quantifying the advantages it provides over conventional promotion methods (Knight Frank India, 2024).

In addition, regulatory and ethical considerations need to be addressed. Behavioral Profiling, automated communication, personalized persuasion and project claims are all aspects of real estate marketing that can be impacted by AI. The key focus areas of Indian real estate regulation are project registration, consumer protection, and transparency regarding property information (RERA Karnataka, n.d.). But with AI-powered digital marketing come new challenges, such as the possibility of personalized

messaging that can differ from one buyer to the next, the algorithms can show certain listings over other listings, and automated marketing campaigns can bring unverified claims to the forefront in a flash. It is therefore important to explore data privacy, fairness of algorithms, transparency of platforms and the responsibility of disclosure in the study.

Sustainability and infrastructure communication also plays a role in residential market in Bangalore. Buyers are more focused on water supply, sewage treatment, rainwater harvesting, reuse of treated water, road connectivity and neighborhood services when deciding on long-term livability. The focus on rainwater harvesting in institutional infrastructure in Bangalore indicates that water-sensitive infrastructure is one of the factors of residential credibility (Bangalore Water Supply and Sewerage Board, n.d.). Thus, new claims of 'sustainable', 'green' or 'water-secure' housing in AI-driven campaigns need to be backed up by project-level evidence.

The lack of empirical research on the impact of AI in the real world in Bangalore, coupled with the growing adoption of AI, creates a need for the present study. AI tools are said to enhance lead quality, conversion rates, buyer satisfaction, sales velocity, and marketing ROI, all of which are important metrics for developers and agencies to consider. These are all crucial metrics for developers and agencies, and AI tools are touted as improving them. But there is only limited evidence of a connection between what buyers think, what developers do, CRM analytics, digital campaign performance, and the outcome of the transaction. The study therefore takes a mixed methods approach of buyer surveys, stakeholder interviews, CRM data, platform performance data and comparison of AI based selling versus traditional selling.

The study is guided by the following research objectives:

- To analyze the influence of AI-enabled digital marketing strategies on buyer property search behavior and pricing perception in Bangalore's residential real estate sector.

- To assess the behavioral and psychological impact of AI-driven digital marketing campaigns on consumer engagement, trust-building, and overall satisfaction.

- To compare transaction outcomes such as lead conversion, sales cycle duration, pricing responsiveness, and market performance between AI-driven digital channels and traditional property selling methods.

These objectives place the article within the realm of digital marketing, AI integration, consumer shopping habits, the real estate industry's performance and regulatory responsibility. The essence of the idea is that AI-driven digital marketing is not simply a marketing tool. It is a market-shaping tool that affects property discovery, property valuation, property trust, property satisfaction, property visibility, lead conversion, AI maturity, responsible disclosure in Bangalore's residential real estate market.

3. Material and Methods

3.1 Research Design and Study Area

The study is framed with mixed methods of research approach to understand the impact of AI in the residential market of the real estate sector in Bangalore. The research aims require both transactional indicators and interpretations through the prism of stakeholders, so a mixed quantitative and qualitative approach is used. The quantitative part studies the buyers' responses, perception of the prices, consumer involvement, customer confidence, satisfaction, conversion of leads, duration of sales cycles and performance of digital campaigns. In the qualitative part, developers, brokers, digital marketing professionals and other market actors shared their views on the adoption and effectiveness of marketing with the power of AI, risks and future challenges.

The research in the study is exploratory, descriptive and analytical. It's exploratory, and AI in residential real estate marketing is still in its nascent stage in India. It's descriptive, as it tracks the application of AI-powered tools like chatbots, predictive advertisements,

recommendation engines, virtual tours, automated customer relationship management, lead scoring, and campaign analytics. It's analytical because it compares AI-powered marketing strategies with other factors like how users search, their pricing perception, the building of trust, satisfaction, converting leads, and market responsiveness.

The study takes place in one of India's most digitally advanced and commercially active residential real estate markets – Bangalore, Karnataka. Bangalore is an appropriate city for this study because of its robust tech ecosystem, high digital literacy, quick urbanization and competitive real estate market. The study is based on the residential real estate market in the various major growth corridors of Bangalore, such as Electronic City, Whitefield, Sarjapur Road, Hebbal, Devanahalli, Kanakapura Road, Bannerghatta Road and other new residential areas. The commercial, industrial, agricultural and rural property segments are not included.

3.2 Target Population and Sampling Strategy

The target audience consists of key stakeholders in the real estate marketing industry for residential properties, specifically related to AI. The first is made up of real estate developers and marketing heads who design, finance and oversee residential real estate projects. The second group consists of digital marketing agencies and professionals who create ads with the help of AI, automate CRM processes, launch social media marketing campaigns, nurture leads, and monitor performance. The third group are brokers and property agents who have direct contact with buyers and see the quality of enquiries, buyer expectations and transaction behavior change. The fourth group are homebuyers and potential homebuyers who have engaged with AI-driven digital marketing tools in their home search.

A mix of sampling methods is applied for relevance and representation. The developers, marketing heads, agencies and brokers are chosen by stratified and purposive sampling. This will help to ensure that different sized companies, market segments and digital maturity

levels are included. Buyers and potential buyers are chosen by simple random sampling whenever possible, especially those who have recently interacted with online property campaigns, virtual tours, chatbots, property recommendation systems or property portals.

The proposed sample consists of about 30 developers or marketing heads, 10 digital marketing agencies, 15-20 property agents or brokers and 100-200 home buyers or prospective buyers. This is the reason why it is helpful for triangulation, as it will include the supply side, the execution side, the intermediary side, and the buyer side of the real estate marketing process.

3.3 Data Collection Methods

Primary data is gathered with the help of structured questionnaires and semi-structured interviews. Homebuyers and prospective buyers are asked to answer questions on their exposure to AI-powered tools, such as chatbots, predictive ads, recommendation engines, virtual tours, automated follow-ups and personalized digital content, through structured questionnaires. The questionnaire charts buyers' property search behavior, their perception of the price, their level of engagement with the property, their trust, their satisfaction, their convenience, the level of confidence in their decision and their intention to proceed to visiting the site or enquiring about a purchase.

Semi-structured interviews are conducted with developers, marketing heads, digital marketing professionals and brokers. These interviews look at the use of AI solutions in campaign planning, buyer segmentation, lead generation, CRM automation, project visibility, lead qualification and lead conversion management. They also discuss the pros, cons, ethics, regulations, data privacy, and what they expect from AI-powered marketing in the real estate industry in Bangalore's residential market.

Secondary and operational data are employed to enhance the analysis. They can include CRM data, sales funnel data, campaign performance reports, Google Ads or Meta Ads metrics, property portal analytics, lead conversion data,

cost-per-lead data, site-visit data, and sales cycle records (where applicable) and with access and confidentiality requirements. This data can be compared to traditional selling methods and helps to understand the effectiveness of AI-driven digital channels.

3.4 Variables and AI Maturity Assessment

Use of AI tools for digital marketing is the independent variable in the study. They range from chatbots, predictive analytics, recommendation engines and automated CRM, virtual tours, retargeted ads, lead scoring, image-based project visualization and personalized content delivery.

Buyer property search behavior, pricing perception, consumer engagement, trust-building, buyer satisfaction, lead quality, lead conversion rate, sales cycle duration, market responsiveness, and perceived campaign effectiveness are some of the dependent variables. All these variables are directly relevant to the research objectives that are centered on buyer behavior, psychological response, transaction outcomes and market level effects.

Some factors that could impact on the results of your project are the location of your project, property segment, price range, developer reputation, digital advertising budget, project size, possession status, brand positioning, and type of selling channel. As much as AI marketing may have its benefits, it is essential to have these controls to make sure that market outcomes are not influenced by other factors.

The study also features an AI maturity assessment to explore the depth of integration of AI in real estate firms' marketing systems. It can be something as simple as basic online advertising and handwritten follow-up for low-maturity companies. Chatbots, automated CRM systems, targeted advertisements, and virtual tours can be utilized at moderate-maturity businesses. Predictive lead scoring, CRM analytics, buyer segmentation, personalized communication, campaign dashboards and constant performance optimization are some of the features that high-maturity firms might

include. It provides a measure of whether companies that are more successful with AI integration deliver higher results for their sales leads, conversion, customer satisfaction, and sales cycle.

3.5 Analytical Techniques

Descriptive statistics, comparative analysis and regression-based analysis are used for quantitative analysis. The buyer profiles, AI exposure, engagement, trust scores, satisfaction scores, pricing perception, and decision confidence are summarized using descriptive statistics. The differences between AI-powered digital channels and traditional property selling channels are analyzed by comparing lead conversion rates, cost-per-lead, visits to the property, sales cycle length and customer satisfaction.

The relationship between AI-powered marketing exposure and buyer-side metrics like engagement, trust, satisfaction, pricing perception, and decision confidence is analyzed using regression analysis. When appropriate, the relationship between personalization, buyer engagement, trust, satisfaction, pricing perception, and purchase intention can be assessed using SEM. This is useful, as the impact of AI is not included as a direct impact within the study. Rather, it explores the psychological and behavioral processes that digital marketing tools can impact on, which can result in market outcomes.

Qualitative interview data is analyzed with the help of thematic coding. The main themes are related to AI adoption practices, buyer segmentation, lead management, pricing communication, building trust, effectiveness of digital campaigns, AI maturity, regulatory concerns, data privacy, algorithmic transparency, and future challenges. Qualitative results explain and contextualize quantitative results.

3.6 Ethical Considerations and Methodological Limitations

The study was conducted according to the ethical guidelines of scientific research. Before

participating in the study each participant is informed of the purpose of the study and informed consent is sought from those surveyed and interviewed. We keep all personal information confidential, and all the answers are for academic purposes. Accessing the CRM data, campaign reports or sales funnel records, the data confidentiality is maintained at the firm level. Sensitive commercial information is anonymized, and no developer, agency, broker or buyer is named unless they have given their consent.

The methodology also considers the ethical aspects of AI in real estate marketing. Issues such as data privacy, algorithmic fairness, transparency of digital claims, and responsible use of buyer information are considered due to the possibility of behavioral tracking, buyer profiling, automated persuasion, and personalization in campaigns with AI. This is crucial as one of the research goals is to analyze the gaps in law, ethics and regulation of digital real estate marketing.

This is not a study of Bangalore's commercial or industrial real estate but of its residential real estate. The results may not be representative of other Indian cities as the buying behaviour, digital maturity, infrastructure status and developer practices vary from one region to another. The volume of CRM data and campaign performance metrics could vary between firms, affecting the degree to which comparative analysis can be performed. Recall bias can also impact the responses of buyers if they are asked to recall previous interactions with a chatbot, digital ads, virtual tours or property portals. The mixed-methods design offers valuable insights into the impact of AI-powered digital marketing on buyer behavior, developer strategies, transaction outcomes, and market dynamics within the residential real estate market in Bangalore, despite its limitations.

4. Results

4.1 AI-Enabled Search and Property Discovery

From the results, AI-powered digital marketing is reshaping the way potential buyers look for and find residential properties in Bangalore. No longer restricted to just a referral from a broker, newspaper ad, physical hoarding or visiting the property in person, the buyer journey has expanded. Rather, buyers now start their property search online, via targeted ads, property websites, social media marketing campaigns, virtual tours, chatbots, and recommendations. The tools help property buyers narrow down their search in the early stages by allowing them to filter projects based on location, budget, unit size, amenities, property possession, workplace proximity and lifestyle compatibility.

The city of Bangalore is known for its residential market that is spread across various growth corridors such as Electronic City, Whitefield, Sarjapur Road, Hebbal, Devanahalli, Kanakapura Road, Bannerghatta Road and emerging ones. Comparing projects in these areas can be challenging for buyers as they may have varying price points, connectivity, maturity of the infrastructure, rental potential, and buyer segment. This information is structured using AI-powered search filters, recommender systems and virtual tours, which enable buyers to narrow down projects before making a physical visit.

The findings also reveal that there is a pricing perception change when using AI-powered search. Repeat buyers in a price range can start to consider a price range is the normal or expected market value. Likewise, if the AI platforms focus on the area's advantages, facilities, developer track record, financing deals, or expected returns, customers might feel the price is more reasoned. This can help to clarify the price if the information is accurate and is comparable. It can also cause selective perception if buyers are repeatedly seeing algorithmically promoted or sponsored projects, instead of all the available alternatives.

Table 1 presents the major AI-driven tools that influence property discovery and buyer-side outcomes in Bangalore's residential real estate market. Recommendation systems reduce search effort, chatbots improve response speed, virtual

walkthroughs support remote evaluation, predictive lead scoring identifies serious buyers, retargeted advertisements reinforce project recall, and personalized content delivery improves relevance across buyer categories.

Table 1. AI-driven digital marketing tools and their effects on buyer and market outcomes in Bangalore residential real estate

AI-driven digital marketing tool	Main function in residential marketing	Buyer-side effect	Market-side outcome
Recommendation systems	Suggest projects based on budget, location, and search behaviour	Reduces search effort and improves project discovery	Increases visibility of algorithmically favoured projects
Chatbots and automated responses	Provide instant answers on price, location, floor plans, and site visits	Improves convenience and response speed	Enhances lead handling and reduces communication delay
Virtual tours and walkthroughs	Present project layout, amenities, and spatial features remotely	Supports early-stage evaluation before site visits	Expands project reach beyond local buyer networks
Predictive lead scoring	Identifies high-intent buyers from behavioural signals	Enables quicker follow-up for serious buyers	Improves sales-team efficiency and lead prioritisation
Retargeted advertisements	Repeatedly show project advertisements to interested users	Reinforces recall and perceived project relevance	May increase conversion but can narrow buyer choice
Personalised content delivery	Tailors messages by buyer profile and preference	Creates relevance for different buyer categories	Improves campaign efficiency and segmentation quality

Table 1 provides an overview of the way AI-powered digital marketing tools work throughout the residential property-search journey. It indicates that these tools are not just helpful in making the promotion more efficient. They also influence the focus of buyers, their search patterns, project visibility and conversion routes in the housing market of Bangalore. As seen in **Figure 1**, AI-powered digital marketing

has a well-defined path that influences buyer behavior and market outcomes. It illustrates the correlation between AI-powered search, personalization, chatbot interaction, project comparison, and site-visit intent, and the subsequent decrease in search effort and increase in discovery, speed in handling leads, buyer confidence, and market conversion.

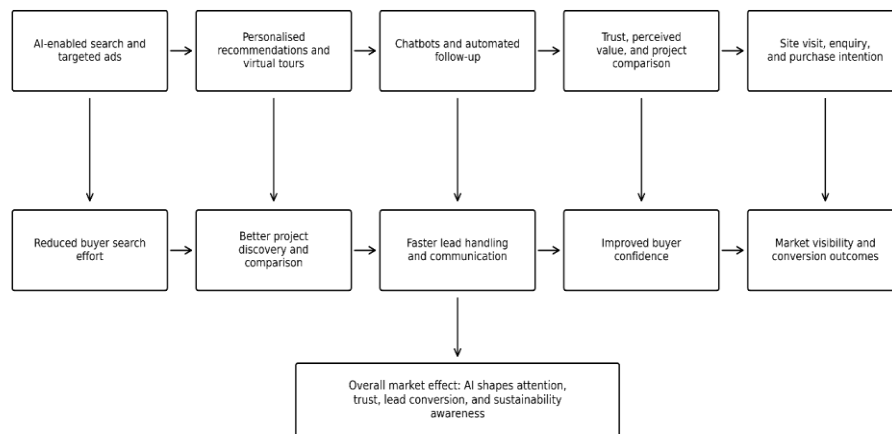


Figure 1. AI-driven digital marketing pathway in Bangalore residential real estate

4.2 Market Segmentation and Personalized Targeting

The findings show that AI-powered digital marketing enhances the accuracy of market segmentation in the real estate landscape of Bangalore's residential properties. Based on patterns of search behavior, enquiry, browsing time, location preference, budget range, platform interaction, and response patterns, developers and/or digital marketing companies can further categorize the buyers into more specific segments. It allows personalization of communication to the different buyers to a greater extent. New buyers might be sent messages regarding affordability, loan assistance, and when they can expect to own the home. Information about work connectivity and commute reduction may be sent to technology professionals. Investors can get information on the rental demand, appreciation potential and infrastructure in the future. Families can be targeted with messages relating to schools, safety, amenities, space, and neighborhood livability.

This personalization directly contributes to the first and second research objectives since it has an impact on buyer search behavior, pricing perception, engagement, trust building, and satisfaction. If the personalized messages align with the customer's needs, the customer might feel the platform is more helpful and responsive. This will have a positive effect on interaction time, likelihood of enquiry and confidence in searching. Personalized recommendations also

allow us to cut down on information overload by only showing fewer but more relevant projects.

The results do show, however, that there are also risks associated with personalization. Retargeting and algorithms rank the ads so that buyers can be exposed repeatedly either to the same developer or to the same type of project or to the same price range. This can limit the options buyers have, as well as eliminate comparison shopping. It can also create an imbalance in the marketplace, with larger developers with greater digital skills and integration capabilities going to more buyers than smaller developers. This helps to streamline marketing processes, but it's important to ensure transparency and equal access to project information.

Further, the results indicate that AI maturity has an impact on segmentation quality. The simple digital ad might be sufficient to get a developer's attention, but maybe not in full awareness of the buyer's intent. CRM systems with built-in, predictive analytics, chatbots, logs and campaign dashboards can segment buyers more accurately and manage leads more efficiently, however, than the ones that don't. This is on the same line as the synopsis focus on an AI maturity model to link AI digital integration to market outcomes.

4.3 Lead Conversion and Sales Efficiency

The results demonstrate that AI-powered digital marketing can enhance lead conversion and sales productivity by streamlining the process, prioritizing leads, and enabling automated follow-up. Predictive lead scoring enables

developers to identify leads that are more likely to turn into site visits and are more likely to turn into deals. Chatbots can answer very simple questions about the price, floor plans, amenities, location, possession dates, booking process, etc. immediately. CRM automation can be used to help sales teams schedule meetings, send reminders, categorize leads, and monitor buyers' progress through the sales cycle.

This outcome directly supports the third research objective of comparing the outcomes of transactions using AI-powered digital channels to those using traditional property selling processes. The channels powered by AI seem to be more effective in capturing leads in the early stages, accurately profiling buyers, communicating quickly, and ensuring consistency with follow-up. The traditional negotiation, site-level persuasion, trust-building and purchase closing processes are still relevant. But AI-powered systems streamline the initial and middle phases of the sales cycle by prioritizing and reaching out to serious buyers.

The findings also suggest that AI-powered marketing can shorten the sales cycle if buyers

have enough clarity about a product through the digital channel prior to visiting a salesperson. Buyers can make quicker choices on their shortlists, making use of virtual tours, automated documentation support, price explanations, and personalized project recommendations. This can help to limit "wasted" visits to the site and enhance the quality of enquiries that developers and brokers receive. The faster the conversion, however, isn't necessarily a good thing, either. Excessive retargeting, urgency-based messages, or insufficient information can lead to lower satisfaction and trust among buyers after the purchase, potentially resulting in a decline in satisfaction and trust.

Table 2 presents the major market dynamics and outcome effects of AI-driven digital marketing. It shows that AI-enabled systems can improve buyer engagement, lead conversion, project visibility, price-value perception, trust formation, and market competitiveness. It also identifies risks such as overexposure, pressure-based persuasion, unequal visibility, inflated expectations, inaccurate automated claims, and digital dominance by larger firms.

Table 2. Market dynamics and outcome effects of AI-driven digital marketing

Market dynamic	AI-driven marketing mechanism	Positive outcome	Possible risk
Buyer engagement	Personalised advertisements, chatbot support, and virtual tours	Higher interaction and faster enquiry generation	Overexposure to selected projects
Lead conversion	Predictive lead scoring and automated follow-up	Better prioritisation of high-intent buyers	Pressure-based or urgency-based persuasion
Project visibility	Sponsored listings, retargeting, and platform ranking	Stronger launch awareness and project recall	Unequal visibility for smaller developers
Price-value perception	Lifestyle messaging, amenity framing, and location narratives	Higher perceived project attractiveness	Inflated expectations if claims are not verified
Trust formation	Consistent information, documentation support, and fast responses	Improved buyer confidence	Trust erosion if automated claims are inaccurate
Market competitiveness	Data-driven campaign optimisation	Better sales efficiency and absorption	Advantage for digitally dominant firms

Table 2 explains how AI-driven marketing affects the wider market environment. It shows that AI-enabled systems can strengthen buyer engagement, project visibility, lead conversion, and sales efficiency. At the same time, they may create risks linked with unequal exposure, persuasive pressure, and information asymmetry.

4.4 Digital Visibility and Market Competitiveness

The findings suggest that digital visibility, powered by AI, is an essential component for enhancing the competitiveness of Bangalore's real estate market. Those developers who have better digital infrastructure, bigger advertising budgets, CRM systems and advanced analytics are more likely to have increased visibility online. They can connect with buyers via sponsored listings, retargeted ads, search engine campaigns, social media platforms, chatbot landing pages, customized email and messaging campaigns. This means that these developers can look forward to increased enquiries, improved lead recall and increased conversions on site visits.

It's not just about individual purchasing decisions; it's about the impact of AI-driven marketing on the overall dynamics of the market. Project visibility is a winning edge. It's easier for buyers to be tempted by a project that they can see online, before they even check out the conditions, pricing, approval, or future worth. This could enable the more "digital" developers to out-compete those that are less "digital", even if they have a competitive product to offer, like smaller companies.

The results also indicate that digital visibility affects the perception of price and responsiveness to the market. When a project is advertised repeatedly, the buyer might assume that it is more popular, has a higher quality or it is a better value. This can help to increase enquiry generation and boost absorption. But the impact has a flip side as well, one which requires scrutiny. Just because a structure is visible does not mean that it is of good quality, legal, ready for use or priced fairly. So, the visibility from AI should be considered because of the marketing and not as a quality measure of a project.

The results also reveal that there is a difference between the competitiveness of AI mature and

less mature organizations. Digital campaigns can be a one-off marketing initiative in low-maturity companies. Moderate maturities business owners can leverage both ads and chatbots and CRM automation. Predictive analytics, buyer segmentation, automated content delivery, platform performance tracking and sales funnel optimization may be possibilities for high maturities businesses. The more mature the AI maturity of the firm, the more effective the campaign will be and the more responsive the firm will be to the buyer's behavior.

4.5 Trust, Perceived Value, and Buyer Confidence

The findings indicate that trust is a key component of the success of AI-powered real estate marketing for homes. Clear, consistent, and relevant information is more likely to get buyers to interact with AI-powered platforms. Trust is enhanced with chatbots and automated systems, which give accurate information regarding price, carpet area, floor plans, amenities, location, legal approvals, possession timeline and site visits. Virtual walkthroughs can boost buyer confidence as they are able to evaluate layout, design, amenities and project environment at an early stage. Personalized recommendations can also help with perceived value as they match the buyer's real budget, the location he/she prefers, and family or investment requirements.

The results show that there is a relationship between trust and perceived price. When buyers are making an evaluation, they look at the listed price in relation to the advantages of the location, amenities, reputation of the developer, connectivity, the stage of the project, financing convenience and the appreciation they expect. These elements can be used to create content that is engaging and persuasive and can be enhanced by AI algorithms to maximize perceived value. For example, if a buyer believes

that proximity to the workplace (e.g., metro) or quality of security or maintenance or lifestyle is better at a higher price project, he or she may be more likely to select the higher priced project. However, the effect of this will depend on the substantiation of the claims and their validity.

Decreased buyer confidence may occur if communication is generic, repetitive, exaggerated, or unclear when using AI. Excessive automation follow up can be a hindrance rather than an aid. Similarly, if the price, possession date, discount, amenity claim, etc., is different on various platforms, the purchasers will suspect the developer and the digital platform. Thus, the results show that AI-powered marketing can boost transparency and consequently buyer confidence, while it can't boost persuasion.

This result aligns with the second research objective – the importance of behavioral and psychological outcomes in addition to transactional measures. Digital exposure to intermediate outcomes of engagement, trust, satisfaction and confidence are linked to purchase intention. When deciding on something that is high involvement like purchasing a residential property, buyers need to be reassured from the online enquiry to the site visit and from the site visit to booking. While AI tools can help with this process, they should not be used as a substitute for legal checks, site inspections, professional advice and clear documentation.

4.6 Sustainability and Water-Sensitive Housing Communication

The findings indicate that the dimensions of sustainability and water sensitive housing communication continue to be pivotal in AI-powered residential real estate marketing in Bangalore. The new study is primarily about buyer behaviour, pricing perception, trust, satisfaction, transaction outcomes and regulatory issues, but sustainability communication is still

relevant as this can impact on perceived value and future livability. Water supply, sewage treatment, rainwater harvesting, treated-water reuse, smart water metering, less dependence on tankers, and maintenance systems are some of the features that buyers are considering when assessing residential projects in Bangalore.

AI marketing can enhance sustainability messaging by identifying customers who value long-term sustainability, water security, environmental quality, and operating costs. Rainwater harvesting, sewage treatment plants, treated water re-use, low flow fixtures, smart meters and community water management systems can all be emphasized through a personalized campaign. This communication can help to raise awareness among buyers and enhance the value of the project if it is specific and evidence based.

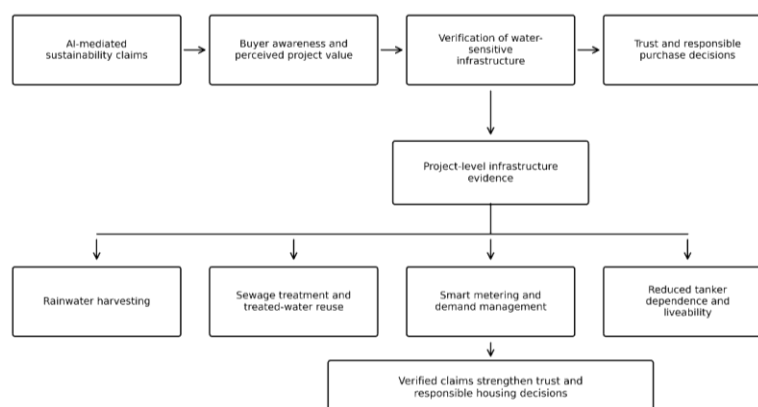
The findings also show that there is a risk of sustainability claims being "vague or exaggerated". Eco-friendly homes", "sustainable community", "green living" and "water-secure project" are terms that can help to build buyer trust and influence perceptions of the price; however, these must be backed up. Purchasers should be able to confirm the capacity of the system, approvals, maintenance of the system, quality of treatment, reuse options, and reliability of water sources. AI-driven marketing could lead to greenwashing and erode customer confidence when it comes to sustainability.

Table 3 lists some of the most important water-sensitive housing claims and the evidence that needs to be used to substantiate them. It is still applicable as it translates general promotion into specific project level verification requirements. The table reinforces the fact that sustainability marketing with AI should be transparent, measurable and connected to concrete infrastructure.

Table 3. Water-sensitive housing claims and verification requirements in AI-mediated real-estate marketing

Marketing claim	Meaning in residential context	Evidence buyers should verify	Relevance to market outcome
Rainwater harvesting	Project has systems to collect and use rainwater	Approved design, installed system, capacity details, and maintenance plan	Improves sustainability perception and water resilience
Sewage treatment plant	Project treats wastewater within the residential complex	STP capacity, operational status, compliance records, and reuse plan	Supports sanitation quality and reduces infrastructure pressure
Treated-water reuse	Recycled water is used for landscaping, flushing, or other non-potable uses	Plumbing layout, treatment quality, reuse mechanism, and maintenance responsibility	Reduces freshwater dependence and operating costs
Smart water metering	Individual or community-level water use is monitored	Metering system, billing process, and access to consumption data	Supports demand management and user accountability
Low-flow fixtures	Fixtures are designed to reduce household water consumption	Product specifications, installation details, and maintenance guidance	Improves efficiency and sustainability branding
Reduced tanker dependence	Project claims reliable non-tanker water arrangements	Water-source disclosure, supply agreement, borewell status, and municipal connection	Strengthens buyer confidence and long-term liveability

Table 3 translates general sustainability statements into project-specific information. It helps avoid the use of ambiguous terms like ‘eco-friendly, sustainable’ or ‘water-secure’ without supporting evidence. The table reinforces the notion that sustainability marketing with the help of AI should be transparent, precise, and connected to concrete residential infrastructure. **Figure 2** shows how AI-driven sustainability communication can impact buyer awareness and perceived value. It also reveals that the level of trust amongst buyers is reliant on the validation of water sensitive infrastructure, from rainwater harvesting to sewage treatment, through to the reuse of treated water, smart metering and less reliance on tankers.

**Figure 2.** AI marketing, water-sensitive housing, and buyer trust

5. Discussion

The results indicate that digital marketing with the help of AI is a significant factor in the market in Bangalore's residential real estate sector. It not only affects its online marketing but also impacts on property search, property price perception, engagement, building trust, satisfaction, lead conversion, sales cycle length and project competitiveness. In a very competitive market like Bangalore where the market is dispersed, the customer will compare several projects based on their location, budget, builder and state of possession. AI-powered tools such as recommendation systems, chatbots, predictive advertising, virtual tours, CRM automation, and lead scoring enhance the property discovery process and remove the friction from initial stages of search. The first research objective is related to the impact of AI powered digital marketing on the buyer's property search behavior and price perception, which is directly supported by this.

Among the major findings of the results is how AI in digital marketing affects the perception of the price and value of buyers. The price is not the only way it's perceived in residential real estate. It's also affected by location stories, facilities, job access, finance availability, brand value, anticipated and perceived appreciation, and lifestyle advantages. AI-powered campaigns can be customized to a high degree on these aspects. If communication is accurate, it can help make things clear and can make things easier for the buyers to evaluate options. However, if they have seen the sponsored listings and retargeted ads again, then they may get a wrong notion of what is valuable in the market, as with the algorithmically driven projects. This highlights the potential of AI to enhance price discovery but also the potential for new types of information asymmetry if visibility on the platform is not transparent.

The results also reveal that AI-driven campaigns impact on the engagement, trust and satisfaction of buyers. This is important because it can be a huge decision and can have consequences for finances, family, legal verification and long term

when buying residential property. These bots can help to decrease uncertainty and offer convenience when they can deliver accurate, consistent and timely information. They can offer convenience, decrease uncertainty, and give precise, regular and timely information. They can likewise boost the satisfaction of buyers by streamlining and improving the property search process, which can be relevant and faster. But a loss of trust can occur if communication is ambiguous, repetitive, overstated or different on different platforms. As such, when transparency and verifiable project information is added, AI marketing can be a positive boost to the confidence of the buyer.

Comparable outcome dimension is also important. Customer identification, lead capture, segmentation, response and follow-up consistency are all more successful with AI driven digital channels than traditional selling approaches, in the early stages. Predictive lead scoring can assist developers in determining who is a serious buyer and CRM automation can reduce the lag in communication and help manage the sales funnel. The traditional methods of negotiating, site persuading, relationship building and closing are still used. Thus, the evidence has been provided and it seems AI can't replace the traditional real estate selling process entirely. Rather, it shifts the dynamics of the sales process to a more data-driven discovery, qualification and nurture process. This directly affects the third research objective: The effect of lead conversion, market responsiveness, length of the sales cycle and sales results of AI-supported and traditional channels.

The AI maturity dimension can be useful to grasp the range of developer performance. For companies that have low maturity in AI, digital ads can be a continuation of traditional advertising. For moderately mature companies, they can incorporate chatbots, customized email marketing and automated CRM. More advanced AI capabilities may include predictive analytics, recommendation engines, customer segmentation, virtual tours, CRM dashboards, and continuous campaign optimization for

companies with more sophisticated AI capabilities. The findings indicate that a higher level of AI maturity can enhance lead quality, campaign efficiency, customer satisfaction, and shorten the sales cycle. The synopsis agrees with the fact that they are looking at an AI maturity model to bring digital integration and measurable business outcome together.

The results align with the existing research in the field of AI in marketing. The significance of AI in transforming marketing in the Bangalore real estate sector is evident, as it can enhance buyer targeting and lead management. In the context of the Bangalore residential real estate market, AI's ability to improve the targeting of buyers and management of leads underlines its transformative role in marketing strategies. The findings also support the strategic discourse in AI marketing literature, where the value of AI is seen as the synergy of mechanical, thinking, and feeling ability of AI at the service side of customer interactions particularly in the context of service responsiveness and personalization (Huang & Rust, 2021). Likewise, the results also lend weight to digital marketing research that has focused on the customer journey as a series of digitally mediated touch points as opposed to one promotional event (Kannan & Li, 2017). Concurrently, the results of the trust related findings align with consumer-AI research that suggests that consumers make assessments of AI interactions based on four key factors of convenience, fairness, autonomy, and transparency, as well as human relevance (Puntoni et al., 2021).

These regulatory and ethical considerations are also relevant. Behavioral data, platform analytics, buyer profiling, automated communication and personalized persuasion are all vital elements of AI-powered real estate campaigns. Data privacy, algorithmic bias, visibility and project claims are all concerns with these practices. In residential real estate, these matters are more serious as the buyer is making their investment decision based on information related to the price, the time they should expect to be able to take possession, the approvals, amenities, benefits of the location,

infrastructure, and the long-term livability. The danger with such systems is not only that they promote false or misleading information, but also the potential for consumers to be misled. Hence, the 4th research objective is the focus of the study. There is a need to pay greater attention to disclosure and platform accountability, data governance and ethical personalization in the context of AI-enabled real estate marketing in Bangalore.

The sustainability and water-sensitive housing results corroborate this argument. The perceived value and trust of the buyer can be impacted by claims made about rainwater harvesting, sewage treatment, treated water reuse, smart water metering and reducing the need for water tankers in Bangalore. AI-powered campaigns can raise the awareness of the relevant buyer groups. Sustainability assertions, however, must be measurable, quantifiable and verifiable. The use of the vague terms like “eco-friendly”, “green” or “water-secure” can be misleading for the buyers, unless they are backed-up with technical evidence and operational systems. Marketing for sustainable projects should, therefore, be linked to actual infrastructure in addition to the marketing text.

Overall, the findings suggest that AI can have both positive and negative impacts on digital marketing. In conclusion, the discussion highlights the potential and dangers of AI in digital marketing. It enhances search relevance, personalization, engagement, leads to conversion, and responsiveness to the market. Meanwhile, it can also help to reduce buyer exposure, increase persuading pressure, favor digitally advanced developers and establish regulatory holes. The takeaway is that, while AI can help boost advertisement reach, it is also necessary to leverage it to enhance the quality and accuracy of information for developers. It's essential that digital marketing professionals make sure that the information generated by AI matches the approved project information. The regulators should pay more attention to disclosures in digital, algorithmic promotion and online real estate advertising. Buyers need to

consider AI-driven recommendations as search tools, rather than unbiased or comprehensive market advice.

6. Conclusion

The study found that AI-powered digital marketing has a significant impact on market dynamics and results in the real estate industry of Bangalore's residential properties. It transforms the way that buyers look for homes, compare properties, understand home costs, engage with builders and trust in the home buying process. The use of AI-driven features like recommendation systems, predictive ads, chatbots, virtual tours, automated CRM, retargeting, and lead scoring decreases search time, enhances property visibility, and facilitates quicker buyer-developer communication. Also, they bolster pricing perception by offering location-to-location, amenity-to-amenity, connectivity-to-connectivity, developer credibility-to-credibility and features-to-features comparisons. However, if the visibility on the platform isn't clear, buyers can be deceived when they see the same projects over and over again, which have been sponsored or algorithmically prioritized. The results further reveal that trust and satisfaction are key to the effectiveness of AI in marketing. The use of AI tools can enhance

the buyer experience by delivering timely and relevant, personalized information that is accurate, but if you overuse or send too many automated messages, it can undermine trust. AI can be particularly helpful during the initial and middle phases of the sales cycle, enhancing lead generation, lead qualifying, response time, lead segmentation, and follow-up. The traditional sales process remains an important part of negotiations, paperwork, site reassurance and closing the sale. The research underscores the importance of AI maturity and its overall influence on marketing outcomes. By using AI for quality improvement, customer satisfaction and sales cycle efficiency, companies with AI-powered CRM, predictive analytics, segmentation, virtual presentation and campaign dashboards will have a competitive edge. However, there are legal, ethical and regulatory considerations that are of importance. Data privacy, disclosure of data sources, fair targeting, project claims substantiation and regulation compliance are essential for responsible AI use. Future research could be based on larger samples, longitudinal CRM data and comparative studies between Indian metros.

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