



WAV GROUP

The Consumer Online Real
Estate Search Experience

Are brokerage firms providing the level
of service that the consumer expects?

March 2009

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Executive Summary

Today consumers have many options for researching property online, but they are principally broken out into two categories – sites that are controlled by licensed real estate professionals, and sites controlled by media companies or other third party, non MLS member websites. Although the lines between these two types of websites are often blurry, there is one key differentiator – licensed real estate professionals who are members of one or more Multiple Listing Service are able to connect directly to the MLS to pull current listing information for display on their websites. Unless the MLS makes an exception, media companies and other non-MLS members must procure listings by other means - usually directly from the property broker or agent.

MLSs govern the display of member listing information under reciprocity agreements between members, also referred to as IDX. The essence of reciprocity is that any member may display another member's listing on their website. Any inquiries about any listing are delivered to the site owner rather than the listing agent or broker.

This is contrasted by third party websites. Although some do get listings from MLSs through licensing agreements, most of the listing data is aggregated from a combination of agents, brokers, virtual tour companies, public record, newspapers, and listing syndication. In most cases, any inquiry about a listing is directed to the listing agent or listing broker.

While the listing information on IDX powered agent and broker websites is quite comprehensive, there are still questions posed by consumers that are not available in the IDX data set. Sometimes consumers pose questions that require a fairly intimate knowledge of a property.

This study aimed to sample the quality of responses to those questions through an inquiry to someone OTHER than the listing agent or broker. The study included a two-pronged sampling by a "secret shopper" who emailed or called about a property that was not represented by the broker contacted. An understanding of the quality of responses to these inquiries has ramifications to the underlying strategy of a broker's effort to represent every listing in their marketplace.

Summary of findings

- Out of 100 email inquiries, 1/3 of email inquiries were never answered.
- The average response time to an email inquiry was 10 hours and 16 minutes.
- Out of 68 email responses, only 25 were able to answer some of the questions and only 5% answered all of the questions posed.
- Out of 100 phone calls made to brokers during business hours, only 58 calls were answered and none of the questions were answered with certainty.

Study Overview

Consumers are choosing to access more and more detailed listing information online every day. The online consumer searches for this real estate number in the tens of millions nationwide *each month*. When consumers search and discover listings of interest, they are generally seeking more specific information that is *not* already displayed in the data on the website. This is true for searches on both listing broker and IDX web sites.

For example, a consumer may have a need for details on the age of a kitchen, bathroom, the pool or any other detail that is usually privy to only the listing broker or agent. It is clear that the consumer is seeking the most effective means to access detailed questions about listings that are not traditionally included in the standard MLS listing feed or IDX displayed listing detail. As such, they take advantage of the “Inquire about this listing” email offer on the agent or broker website to get the answer – or they call the number or on the website. We duplicated this consumer behavior to learn how agents were answering these questions.

The WAV Group completed this study to assist in better understanding the degree to which the industry is satisfying these types of consumer requests and demands. The paper begins to provide information to answer a very fundamental question:

Does the concept of IDX fundamentally serve the needs of the consumer because of its comprehensiveness or does it undermine the relationship between the consumer and the REALTOR as a result of over representing the depth of knowledge a site owner has about listing details?

In this paper we will examine the results of an applied “secret shopper” research technique designed to help better understand the effectiveness of the industry in answering detailed listing questions and to discuss strategic solutions for improving the consumer’s satisfaction level when searching online – and asking questions.

Methodology

The research was designed to measure the industry's online responsiveness, and to evaluate how effectively the industry is able to provide detailed information about a desired property listing found on a broker website.

To determine these measurements, the WAV Group conducted its own "secret shopper" study to find out what consumers experience today when they inquire about IDX listings displayed on broker web sites either electronically or by phone. The study was conducted from October through December 2008. One hundred broker websites from across the 48 contiguous United States were visited, and inquiries were made for listing details related to randomly selected properties. All inquiries were made during that company's normal business hours on a weekday between 9 a.m. and 5 p.m. The properties were chosen within a selected few broad listing characteristics. The price range for the listings was wide, but set well below the price level for "luxury homes" in any given market. The search criteria of three or more bedrooms were used. In some geographic areas where swimming pools were prevalent, that feature was included in the search criteria (pools always generate a lot of consumer questions).

The study's primary intent was to measure two key points when the consumer is redirected from an IDX property listing to someone OTHER THAN the listing agent.

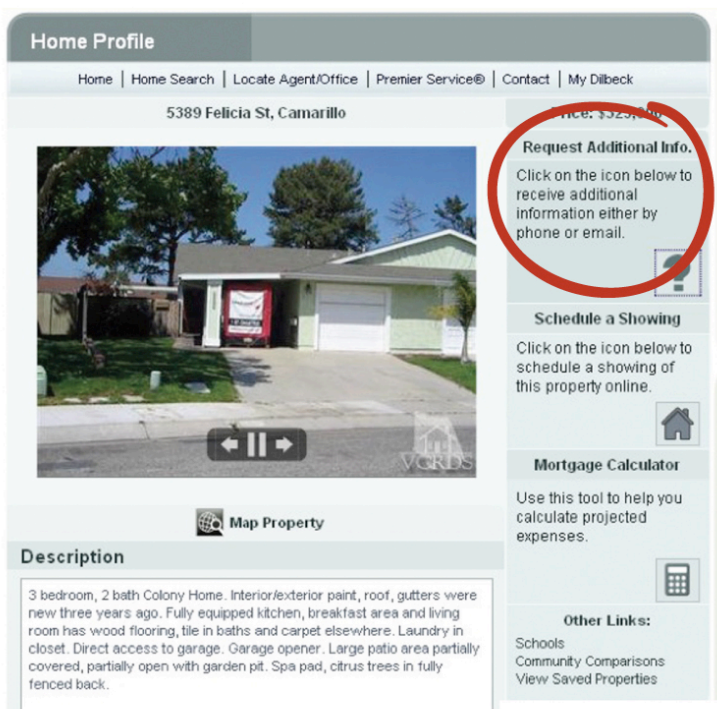
First, were their questions answered completely?

Second, what was the response time?

Again, in asking these questions, we tested two key response opportunities presented on the website – email inquiry and phone inquiry.

Phase 1: "Request more information" by e-mail

In the first phase, "request more information" buttons and links were used to ask questions about the properties.



These links allow the consumer to ask specific questions, get more general information about the property they are viewing.

We asked questions that were specifically chosen on the basis of reasonable buyer questions that are not answered in IDX data, combined with a spectrum of difficulty.

Questions used to measure agent responses

- Can you tell me why the seller is moving?
- What types of appliances are in the kitchen?
- Is there an open house scheduled? If so, when?
- How old is the home?
- Has it been improved in any way? If so, when and what was done?
- Was there a cat in the house?
- Did the prior owners smoke?
- How deep is the swimming pool? (Only asked if the house had a pool.)

The spectrum of difficulty in the questions varied from a question that any agent should be able to answer to others that would be nearly impossible for an agent to answer unless they had seen the property in advance of the inquiry. Other questions were also asked that represented more general knowledge of the home.

The responses to these inquiries were ranked on helpfulness to the consumer, and the time it took to receive a response. The number of questions they could answer and the detail of the answer measure the “helpfulness” of the agent.

Email Response Rate

WAV Group contacted one hundred brokerages to measure the timeliness of responses and the depth of quality of the responses to a variety of questions. 68 of 100 agents contacted answered the email inquiry. *Out of 100 email inquiries, 1/3 of email inquiries were never answered. Out of the 68 responses, only 25 were able to answer some of the questions and only 5 answered all of the questions posed.*

Quality of Email Responses

The results of the study suggest that many agents are not familiar enough with the properties displayed in the IDX listing data feed to answer specific questions about the property without first speaking to the listing agent.

Excellent Rating

Of the agents who participated in the secret shopper research, only 5% received an “Excellent” rating. They received this rating because they answered every question in detail. Interestingly, *in every case the agent who responded to the inquiry contacted the listing agent to solicit the answers to the questions.* None knew the property well enough to answer detailed questions without the help of the listing agent.

Good Rating

Of the agents contacted, only 17% received a “Good” rating. They received this rating by answering 4 to 5 of the questions of the 8 questions asked well. These agents generally started with an “Okay” response but contacted the listing agent or even called the seller to find out more information and then there were able questions more completely.

Okay Rating

The 9% of the agent respondents who received an “Okay” rating answered 1 or 2 basic questions and they used the information listed in the IDX data feed to answer related consumer questions. To reach this benchmark, the agent simply needed to look at the same listing using IDX or MLS as the answer was in the data set.

No Help

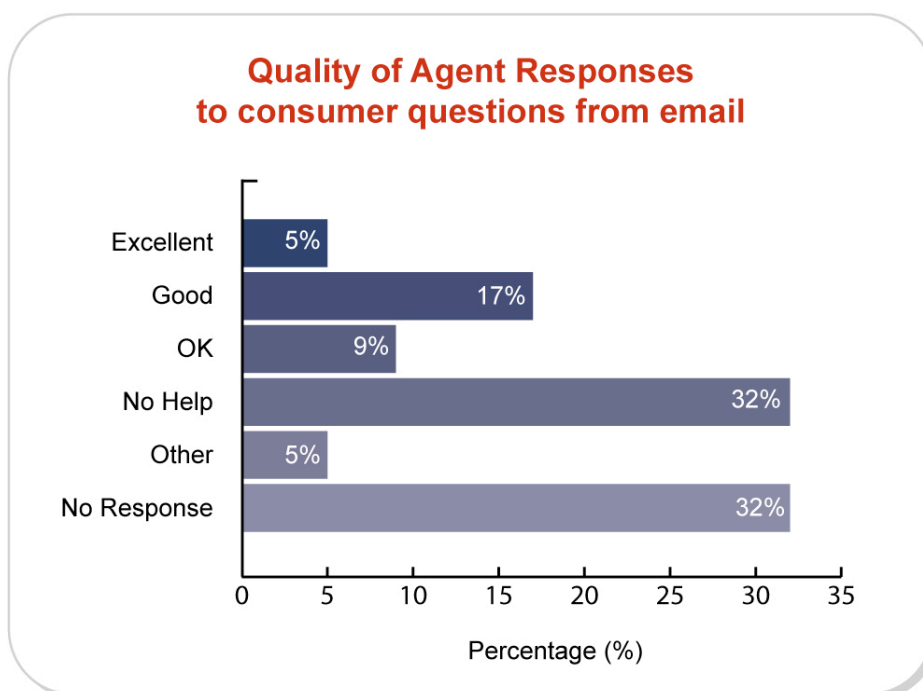
Nearly 30% of the agents contacted provided absolutely no assistance in answering the questions posed via email. Some agents made no attempt to answer the questions outlined. Others asked if the secret shopper would like to work with one of the company’s agents.

Other

Others referred the secret shopper back to his own agent or even telling them that the property was listed with another broker and suggested we contact them instead. These types of responses provide no support to a consumer and discourage using that broker for their real estate needs.

No Response

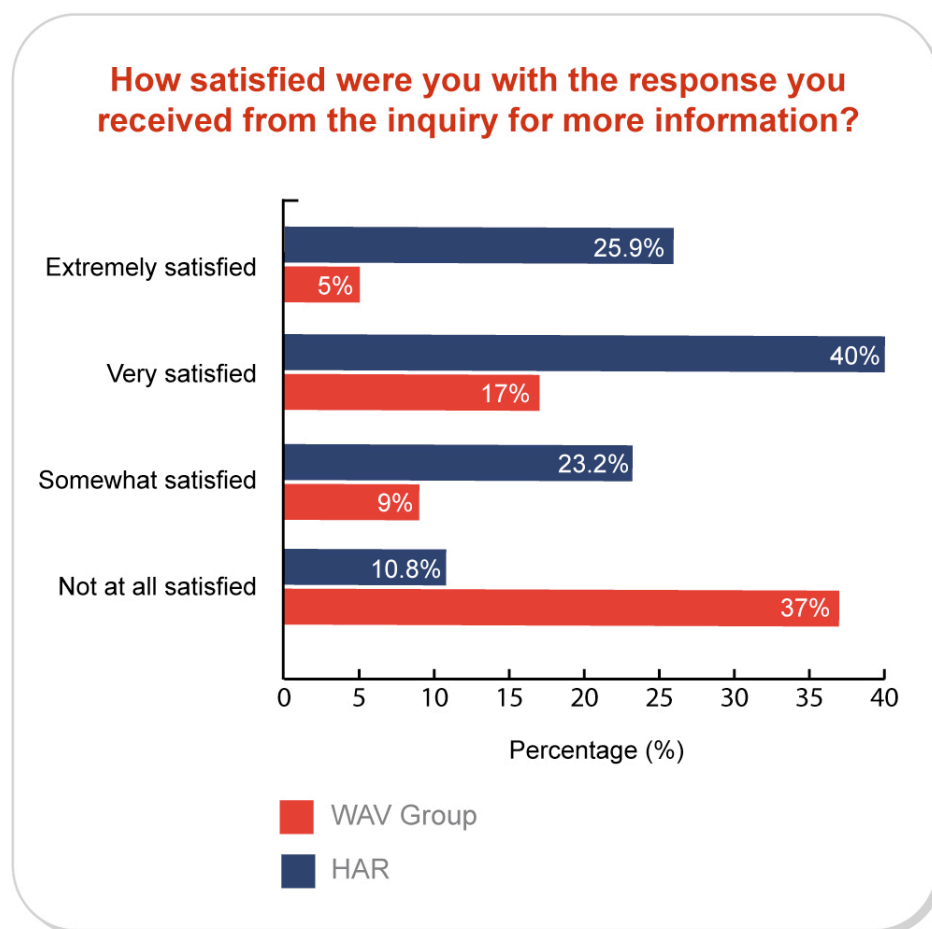
The final 30% of the respondent agents simply did not respond at all to the inquiry in any way.



Impact of Data Syndication to non-broker/agent websites

REALTOR.com, Yahoo, Google, Trulia, Zillow, Cyberhomes and HAR.com all have one very important feature in common – the redirection of consumer inquiries to the listing broker or agent. They connect consumers directly to the listing agent to provide answers to very detailed questions. This relieves the burden that exists for brokers and agents who are trying to answer questions on IDX listings. The findings of this research support the strategy of Data Syndication because it connects the consumer to the listing agent who is positioned as the best person to answer their question.

Although the research was limited to only one website, we learned from WAV Group MLS Consumer Website study of HAR.com that 66% of consumers are satisfied with responses to their inquiries compared to 23% in this study of real estate searches conducted on IDX web sites.



When consumers are connected directly to a listing agent, there is a 186% improvement in the likelihood of the consumer experiencing a good or excellent response.

This is a stark contrast to the levels of poor responses on IDX websites used in this study.

Figure 1: 2008 WAV Group MLS Consumer Website Effectiveness

Timeliness of E-mail Responses

The study was also designed to measure the timeliness of e-mail responses. WAV Group's secret shopper contacted 100 offices by e-mail. Of the 100 contacts, nearly 1/3 or 32 agents did not respond back to the inquiry at all. Of the 68 who responded, the average response time to an email inquiry was 10 hours and 16 minutes. Of the 68 who did respond, 55 of those responded the same day and 64 of those responded by end of the next day. Response times ranged from a low of 3 minutes to a high of 6 days, 2 hours and 29 minutes.

Outside of the outliers, one would wait somewhere between 3 and 5 hours. This data suggests that broker websites are not meeting the expectations of consumers. According to the California Association of REALTORS® 2007-2008 Study of the Traditional vs. Internet Buyer, "47% of internet buyers and 43% of traditional buyers indicated that they selected their agent because the agent was either the first agent, or the quickest agent to respond to his or her inquiry." The same study reports "59% of Internet buyers expected a response from their agent within 1 hour or less... and 58% of traditional buyers expect an agent to respond to them within one hour or less."

As this research displays, IDX websites sampled are not meeting the expectations of consumers as defined by the NAR research.

Timeliness of E-mail Responses Study

	# of firms	Average Response Time
Average of all firms	68	10 hours, 16 minutes
By the next day	10	5 hours, 14 minutes
Same day	55	2 hours, 52 minutes
Maximum response time	68	6 days, 2 hours, 39 minutes

Phase 2: Phone Inquiries

The second phase of the study involved *calling* brokerages to ask questions about the properties. WAV Group's secret shoppers looked at the listing detail page for a phone number, or the "contact us" button and then called that number. The person fielding the call was asked two or three of the questions from Phase 1.

Questions used to measure agent responses

- Can you tell me why the seller is moving?
- What types of appliances are in the kitchen?
- Is there an open house scheduled? When is it?
- How old is the home?
- Has it been improved in any way? If so, when and what was done?
- Was there a cat in the house?
- Did the prior owners smoke?
- How deep is the swimming pool? (Only asked if the house had a pool.)

WAV Group reached out to 100 broker websites across the United States and found a listing that was listed by another broker through broker reciprocity. Interestingly 29% of the listings identified did not list a contact phone number on the listing. 7% displayed a random agent's phone number from the broker office who was not the listing agent

The remaining 64 listings included phone numbers and the results of the calls made on these listings are summarized below.

The responses from phone calls were much less satisfying than the email responses. The calls were often routed to a receptionist who then connected us to what seemed to be a random agent. Some larger brokerages had a dedicated individual to field questions from the website.

In the entire sample of the 64 calls, we only reached 58 people, not one of the people helping us was able to answer the questions with the certainty that a consumer would likely expect.

Common responses to questions posed were vague and lacked specific information or seemed to be absent of any justification for the responses.

In other cases the agent responding simply read back the description listing as it appeared on the website, reading the remarks the listing agent entered into the MLS. Some agents actually made suppositions about the improvements made to the property based upon what they admitted that they could determine from looking at the photos displayed with the listing.

The secret shoppers came away from these conversations with the impression that the agents simply did not know a lot about the properties they were discussing. *When it came to specific questions about the property, not one could even venture a guess in answering a question posed on the property.*

Many of these agents offered to get in contact with the listing agent and then get back to us with an accurate answer. *Of the 17 who did follow-up, they were able to answer the questions with the details we were looking for. Others simply never contacted us again. Only 17% of the phone inquiries were satisfied.*

WAV Group recognizes that many of these questions are best answered with a viewing of the property, and we are not suggesting that the random agent who spoke to us should know. Unfortunately, the lack of familiarity with real estate inventory and specific product knowledge of the listing created *a fundamentally negative impression on a consumer using a broker's site.*

Given that the growing trend is for consumers to spend more time looking at properties online, visiting these websites, and asking questions, the disappointing completeness of responses is disturbing. The younger consumer demographic requires more information and is used to doing research ahead of time. People spend hours researching nearly all consumer products before buying. With a purchase as important as a home, a consumer expectation for in-depth information is likely higher than most other categories.

It May Get Worse - Impact of MLS Data Consolidation

As MLSs continue to consolidate and share data, IDX listings appearing on consumer web sites will also display more property that they are not familiar with – potentially exacerbating a broker's/agent's failure to meet consumer expectations on listing inquiries due to a lack of inventory knowledge. Careful consideration should be taken when representing listings to consumers on broker and agent websites when knowledge of the listing beyond the IDX data is unknown.

The profound question - Should Brokers Engage in IDX?

The findings of the study might suggest to some that brokers should only display listings they know intimately. Some brokers today have chosen to display only their own listings and feature them prominently on their website. In Europe, this is also standard practice. Brokerages display their own listings and demonstrate a thorough working knowledge of each property they feature. Every agent in the office is trained on each office listing. In the case of luxury international brokerage Engel & Volkers – they refer out all inquiries outside of their office neighborhood.

Proponents of this approach suggest an agent simply reading the MLS description with no working knowledge of the property is not serving consumers properly. They use the analogy that you wouldn't call Southwest to get information about a United flight and you wouldn't visit a Mercedes website to learn about a BMW.

While withdrawing from the IDX may only be a whimsical path, consider this. WAV Group measured consumer's interest in a comprehensive listing of data via its MLS Consumer Website Effectiveness Survey. In that survey consumers said they preferred HAR.com to other third party sites because they *believe the information was the most comprehensive and up to date*. In WAV Group's second phase of research of MLS consumer websites, we are going to ask consumers if they believe broker sites (with IDX) also have the most comprehensive and up to date listings available. If so, WAV Group would suppose that IDX still plays a valuable role in the property search process.

While agents will never know every mls listing property intimately; displaying IDX listings on their website does provide their online audience with a great starting point for consumers to identify the type of home, price point, and neighborhood(s) of interest. From this inventory research, the consumer is better prepared to engage with an agent.

IDX does not:

- Replace the agent's requirement to deeply research and visit homes of interest to their client
- Eliminate the need to answer emails promptly
- Pick up the phone when it rings and return calls as soon as possible with accurately researched answers
- Negate the agent's need to contact the listing agent to learn more about a property or attend the weekly home tours.

IDX is simply meant as a tool to begin a conversation with a client. It was never intended to be a replacement for personal contact and service.

Recommendations

Responsiveness Training

One of the best ways a broker can improve the real estate search process for consumers is so simple and basic, it almost sounds silly. *Consistently train and coach agents to understand the value of responsiveness.* There is nothing more valuable than picking up the phone as soon as it rings or answering an email as soon as it comes in. Second best is to return phone calls and emails as quickly as possible. It starts with a significant attitude shift for some and a not so gentle reminder for others. There are technologies can help with the process, but it all begins with a burning desire to “be there” for customers as they contact you. Agents who get phone or email leads need to treat them like their only customer.

Smartphones are a great start. They allow an agent to be in touch wherever they are. They can answer an email, text or phone call instantly. They need to keep their data plans turned on so they can take full advantage of these “mini-computer’s” capabilities. Make sure that these phones have some type of MLS access so the agent can prepare to respond to the client. *Make sure all website leads are forwarded directly to their email systems so agents can receive them on their smartphones as well.*

They can also consider “click to call” systems like Real Ping that allow consumers to contact an agent the instant they are interested in talking to them.

They may even want to think about reaching out to clients in new ways on Facebook and Twitter and begin to build a dialog virtually.

Don't let the client get away

Mobile Search can also be used to get the most of IDX solutions. With companies like VoicePad and others, your agents can capture contact information for clients from yard signs, print ads and anywhere else they find. With the use of mobile IDX search, consumers can get detailed information about a home even before they talk to you. While mobile IDX will not answer all of their questions, it will allow an agent to capture a lead that might have otherwise been lost. It also allows you to track what advertising source is generating the most leads. Again, it is up to the broker to coach her agents on how to get the most of these valuable systems.

Responsiveness Measurement

Measure consumer satisfaction with online inquiries internally. You can send out an automated quick poll after every Internet inquiry to see how quickly the agent responded and whether the response answered their questions and created a positive impression of your brand. The results of these surveys can be used to coach agents on ways to improve.

The company can also consider third party tools like Quality Service Certification(QSC) which can provide ongoing measurements of satisfaction with clients who bought or sold a home with you.

Front Line Phone Support

Some of the largest frustrations from consumers have been registered by getting someone on the phone that knows nothing about the listing they are inquiring about. Brokers can also rework phone communications systems to route calls to those agents best equipped to answer the call, not the “agent on floor,” or outsource the call center to a company like Most Home.

Deploy Lead Routing

Lead routing and management solutions must be deployed to route inquiries intelligently to agent best equipped to answer the call. Today’s existing lead management products from companies like Wolfnet Technologies, Cyberhomes’s rDesk, Most Home and others already support this type of lead distribution. If you are a franchise, be sure that you are taking advantage of your brand’s offering like LeadRouter™.

Neighborhood Experts

The best possible solution to handling IDX inquires might involve the resurgence of neighborhood experts within brokerage companies. Traditionally there were and still are agents or brokers that essentially specialize on knowing the entire inventory in each neighborhood. They are more capable of handling consumer inquiries on all of the listings in those specific neighborhoods. The depth of knowledge of these brokers or agents goes well beyond what is displayed in the MLS data. They go to weekly home tours, and take copious notes – and make those available to consumers and their fellow team of agents responsible for that market area. They stay involved with the local community governments, zoning boards and developers. They do whatever it takes to become the expert for their region. These types of real estate professionals are most likely to succeed in their local neighborhood.

Local neighborhood experts overtly tout their local knowledge on their websites too. They don’t try to be everything to everyone. They do what they do well and they stay focused.

In-depth Property Database

Create an in-house system for storing information about listings that details the property beyond the MLS data. If the information is captured in a WIKI or other format that is easily shared and contributed to, a brokerage could create a “knowledge base” of information well-beyond the information available in the MLS system. Consider taking your own photos and video to archive for your customers.

Maximize Use of Virtual Office Websites

The consumer also has extended access to far more information than what is extended through IDX. Accessing VOW listing feeds, the consumer has access to all non-confidential information, providing them with much more information than available via IDX. Agents have the opportunity to encourage registration so they can closely monitor the activity of the potential buyer. However, VOW's place added pressure on agents to accumulate listing product knowledge beyond that provided within the MLS information. Automated VOW products like Listingbook, Clean Offer, Wolfnet and others can help provide the consumer with a consistent view into the neighborhood they are interested in. No automated product, however, can replace deep property knowledge gained from visiting a home. *It is a commitment to timely service and local knowledge that will continue to be the key to providing valued services, and truly assist consumers in online search.*



About WAV Group

WAV Group is among the real estate industry's leading research and consulting firms providing services to MLSs, Brokers, Technology Companies and REALTOR Associations:

- * Facilitating comprehensive strategic planning initiatives
- * Evaluating and selecting real estate technology solutions
- * Designing and executing research programs
- * Helping you to develop and launch your next real estate product
- * Creating and executing custom marketing plans
- * Optimizing sales - sales training, comp plans, presentation development, and distribution strategies
- * Building comp plans
- * Retooling distribution strategies
- * Delivering broker Internet strategies to increase leads and lead conversion

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About Our Sponsors



The genesis of this whitepaper was a conversation with fellow consultant Ken Jenny. Ken supported this research in many ways by helping draft the methodology, reviewing the results, and proofing the study. We appreciate Ken's support and the support of his firm Mediatise, LLC. Contact Mediatise on their website at <http://www.mediatisec.com> or by phone at 949-854-9483 ken@mediatisec.com



We are also grateful for the financial support of Most Home who is sponsoring the release of this study. [Http://www.mosthome.com](http://www.mosthome.com) 800-347-4701 x340 or sales@mosthome.com

Broker Sites used for research

Amelia Bullock Realtors, Austin Real Estate, Avenue One Properties, Barrett and Company, Bissell Hayes Realtors, Blanchard & Calhoun RE, Bradfield Properties Realtors, Brin Realty Group, Bruns and Ellis Realtors, Carpenter Realtors, CB Barbara Sue Seal Properties, CB Realty Group, CB Village Realty, Century 21 Affiliated, Century 21 Arroyo Seco, Century 21 DFW, Century 21 Hometown, Century 21 Metro Alliance, Century 21 Ripley, Chase International, Comey & Shepherd, Cressy & Everett, Dilbeck, Ebby Halliday, Edina Realty, FC Tucker, Greenridge Realty, Griffen Company Realtors, Group One, Hamner Real Estate, Harry Norman, Hasson Company Realtors, Heritage Texas Properties, H Pearce, Huff Realty, Hunziker & Associates, Iowa Realty, Jack Conway Realtors, JB Goodwin Company, Jenny Pruitt, John Greene, John R. Wood, John L. Scott, JW Reedy, Kennen & Kennen Realtors, Keyes, King Thompson (CB), Lake Real Estate, Lang McLaughry Serpa Real Estate, Las Vegas Move, Llewellyn Realtors, Long Realty, Lyon RE, McColly Real Estate, McEneaney Associates, McIntosh & Associates, Mopper Stapen, Murney Associates Realtors, Northwood Realty, NP Dodge, O'Brien Realty, Old Colony Realtors, Patterson-Schwartz, Peabody and Smith Realty, Phoenix Real Estate, Plaza Real Estate, Press/Cuozzo, Prudential California Realty, Prudential Fox, Prudential Georgia Realty, Prudential Kahler Realtors, Raben Realty, RE/MAX Alliance (colorado), RE/MAX Horizon, Real Estate One, Realty 1, Rector Hayden Realtors, Reece & Nichols, Reinhart Realtors, Residential Properties Ltd., Results Realty Services, Roger Fazendin Realtors, Rooney Real Estate Inc., Russel & Jeffcoat Realtors, Santa Fe Realty Partners, Semonin Realtors, Skogman Realty, Sotheby's International Realty, Stark Homes, Tech Valley Homes, The Gove Group, The Real Estate Link of the Carolinas, Town & Shore Associates, Utah Homes (CB), VIP Realtors, Weigand Realtors, Weir Manuel , William Wood, Wright Kingdom.



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