



Technology Matters More Than Ever in a Tightening Market

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If you've ever wondered if your technology strategy really makes a difference, a recent article on RealEstateJournal.com should make the point. In the piece titled "Amid Slump, Real Estate Agents Hang Up Their Blazers," authors James Hagerty and Anjali Athavely provide a glimpse of a real estate industry filled with \$37,600 average-income agents. Their brokers fare not much better, trying to carry the expenses of 20 percent to 25 percent agent overcapacity. Looks like 2007 will be the year that one out of four agents calls it quits.

Before you start jumping for joy, thinking that fewer agents in the business will mean less competition for you, you may want to reconsider: Fewer agents means better competition from those who remain. Working the boom market is not so hard; with a heartbeat and a license, many inexperienced agents beat the odds. But sticking around through tough markets requires serious players. The competition will be well trained, well financed and, most likely, well versed in the technology that keeps them competitive. Talk about tough times!

That's why technology matters more than ever. When markets tighten, competitive advantages are critical. Enhanced technology skills provide competitive advantages across every segment of your business: prospecting, leads generation, communications, marketing, transaction tools and client-relationship management. Every one of these areas can benefit from technology that saves time, cuts costs and expands opportunity to maximize the market. And with incomes for agents and brokers dropping with the market, technology mastery becomes more critical than ever.

If you're planning on sticking around this year, it's time for your technology to start making a difference. Here are four areas you can focus on right away:

- **Customer acquisition.** One of the greatest expenses for real estate professionals is the cost to find new sellers and buyers. Let's start with some honesty: You're never going to pick up the phone and cold-call prospects, your postcard marketing is a passive-aggressive waste of time and your newspaper advertisements aren't going to entice buyers who can't translate that a "3br/2ba/lgdnr/frog" means a big home with "large dining room and family room over garage." Even Agent Moneybags can't keep throwing this kind of money away; we'll be calling you Polly PastAgent soon enough. If you're Sally CyberExpert, then it's time to unleash the Web. Ask yourself this: Who is currently interested in selling their home? Umm, how about all those for sale by owners online? Good; now start looking them up on their Web sites and e-mailing them. There's a list of people who already have made the mental leap to sell, and have an 88 percent likelihood of ultimately working with a real estate agent. No, they don't want you to call, and your postcards are silly; talk to them the way they are telling you they want to hear from you: by e-mail. (Hint: they are marketing on the web.) And since these people will also be buyers, the same technique applies if you're hunting for customers. Use the Web (and forget about them coming to your Web site, which they can't find; waiting for customers to register is the ultimate in sales passivity).
- **Communications.** The baby boomers have already told us their technology preferences: don't call them, e-mail them (hint: the Do Not Call list). Surveys of Generation Y tell us that, offered the choice, they'd give up e-mail in favor of text messaging and instant messaging. So if you're going to talk to potential clients this year, it's going to be by some form of "messaging" and not phone calls. That's good news, because you can drop your cell-phone bill and cut costs while using mobile e-mail and text messaging to reach more contacts. Text-message your open-house times and locations to buyers on Saturday; use an e-mail blast to alert customers of a price reduction on your listing; tap an instant message to your assistant while sitting in another dull agency class. Business runs on communications – and it's time to lower the cost while expanding the opportunity by using a Blackberry or other convergence device. In fact, as competition heats up, what you really save with "messaging" technologies is time. Some estimates put the average time saved with mobile messaging at two hours a day! That's where your

technology can really put pressure on your competition – by providing you two more hours every day to list, sell and prospect, while the other guy is still leaving a voice message or logging into his e-mail at the office.

- **Marketing.** Text on the Web is dull. Snore. Boring. Old-school. Today's most competitive Web sites – in every industry – are alive! Video, sound, interactive tools, instant chat with real people – each of these technologies creates comparative advantages to the “read-me only” Web sites. Most real estate Web sites today are glorified Sears catalogs. Text describes the property, some photos (many, if you're lucky) display the rooms and a fisheye-nauseating virtual tour makes buyers blurry-eyed. If marketing technology is going to make a difference this year, it's time to make your Web sites grow up – and that means multimedia. First, cut the costs of creating virtual tours by downloading free software like Microsoft's Photo Story 3, which turns any sequence of photos into animated, voice-narrated video clips. Add them to Web sites, listing presentations and even e-mail marketing. If you've already taken 10 photos of the property yourself, the cost to create a virtual tour should be zero by using some software like Photo Story.

Next, start selling your listings using your voice by creating a daily podcast and letting prospects subscribe to your updates. Today's first-time homebuyers go everywhere with their iPods, which contain daily downloads of news, sports, discussions and even video clips. Savvy brokerages should develop a “Daily Show” style of podcast that consumers can add to their iTunes for regular updates. Think of it like a talk show for your company – discussing listings, interviewing past clients, educating consumers on finance issues – you name it. It's like marketing on the radio without having to pay the expensive broadcast fees. Adding a podcast to the Web is about as hard as going to Yahoo Podcasting (<http://podcasts.yahoo.com>) and buying a good headset.

- **Client relationship management.** Start by dispelling a myth: Sending canned stuff to clients every week is not client relationship management. Contacting them regularly to maintain relationships is. Understanding this will help you use your campaign-manager technology far more advantageously than simply e-mail-blasting some dull templates every week like – well, a dullard, that's what! Using technology is not selling; it merely enhances the sales process. So what do most agents need to do to use technology to maintain relationships? A reminder on their calendar. No, really: That's all you need. A regular reminder on your calendar to reach out to your past clients and current network and refresh your relationship. Trust me; they really don't need to receive your recipes or your insights on the current market every week. Sending canned stuff simply reinforces the idea that you're a commodity vendor, using mass-marketing techniques to troll for numbers. If past clients really trust you, they'll come back to you for your insights when they need it. But only if they remember you, which is where technology should focus. Using something as simple as a recurring task reminder in Microsoft Outlook, you can pick two times a month to scroll through your client list and reach out to them personally. If you think you won't have time, remember the two hours a day your Blackberry is going to save you, and apply some of that time to managing your relationships and generating referrals. And yes, you can still send an e-mail – or even use the phone – as long as it's personal.

So, just to be clear: The market is still sagging, the industry is largely bloated and the average agent doesn't make enough money to waste it on old-school sales habits. History shows us that these are the times where simply trying harder won't protect you. You're going to have to try smarter – and use technology to make up the difference.

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