

The Battle for Home Buyers: Winning Tactics

How to Take Advantage of Today's Home Buyer Lifecycle to Win More Customers

The Winning Real Estate Brokerage: A VHT White Paper Series
Part 3 - Winter 2012



By Jeffrey D. Harris,
Vice President of Business Development, VHT

Does your website attract a majority of your company's new clients?

Does it engage prospective clients and build a relationship with them?

Does it help buyers navigate the entire process of finding and buying a home?

The answer for most brokerages is, "probably not."

That is unfortunate because a brokerage's website has the potential to be its most cost-effective and efficient channel for client acquisition and lead generation for its agents. While brokerages have been fighting battles among themselves to recruit agents, the competition for customers has moved online. Meanwhile, brokers have lost the marketing high ground to a common foe: third parties that have gotten very good at capturing buyers on the web and thus controlling the source of clients.

While more than 90 percent of home buyers are using the Internet to research properties for sale (REALTORS, Characteristics of Home Buyers and Homes Purchased – 2009 NAR Profile of Home Buyers and Sellers, 2009), industry data shows that the majority are spending little time on brokerage websites. Instead, most buyers are starting the buying process on Google and other search engines where the results are typically dominated by web-savvy, third-party listing aggregators and media sites.

Consider this statistic: in October 2011, Zillow attracted 24.4 million unique visitors, that's more than the total number of visitors to the nation's 15 largest residential real estate brokerage/brand sites *combined*. (Quantcast, 2011)

Contents

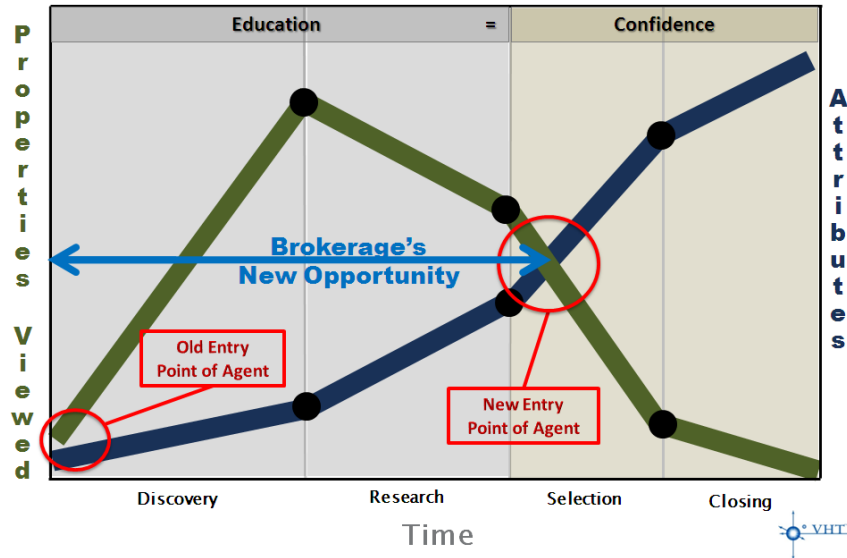
1. **Attract**
2. **Connect / Engage**
3. **Cultivate / Grow**
4. **Hand off to Agents**
5. **When Buyers are away from your website**
6. **Conclusion**

As VHT noted in the 2nd white paper in this series, *How the New Home Buyer Lifecycle is Impacting the Broker-Agent Relationship*, third-party aggregators have successfully leveraged the Internet to control the flow of buyers and determine whose property listings and which agent contacts get the most web visibility. They use a broker's listings to attract buyers, but they decide who gets the customer leads that are generated by those listings. Moreover, as they continue to grow their dominant market share and seek new revenue sources, they're demanding a rising share of agent/broker marketing dollars in exchange.

It is difficult to think of another industry that has been so willing to let third-party companies monetize its business assets – while also footing the bill. Or one that has become so dependent on third parties for online customer acquisition that it keeps paying more and more money to buy leads generated by its own offerings.

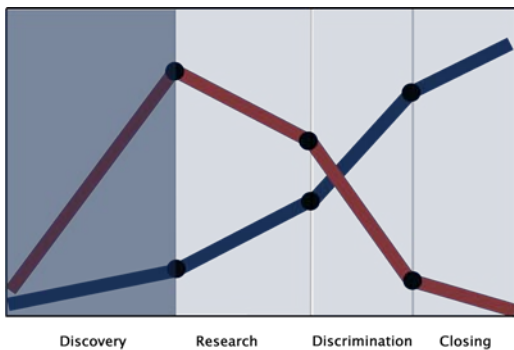
The Internet is by far the most powerful (and underused) marketing tool in the broker's arsenal. With the right approach and web technology, brokers can stop being blocked out by the big aggregators and media sites when it comes to search engine visibility. They can drive more buyers directly to their websites, engage buyers earlier in the buyer life cycle, make their brokerage stand out from the pack, establish their company as the preeminent real estate authority in their local markets, and add value for their agents.

New Buyer Lifecycle



Brokers **can** attract buyers earlier in the buying cycle, create a connection and keep them engaged until they're ready to start working with a professional, and then introduce them to a sales agent to close the deal. Here's what they need to do:

1. Attract

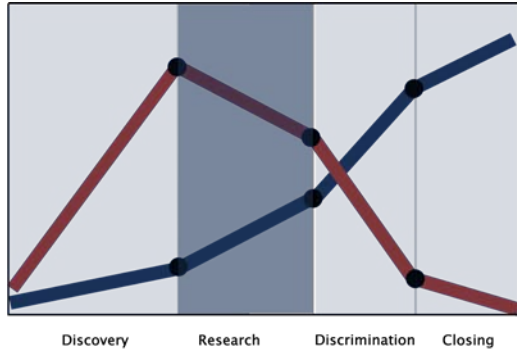


During the earliest phase of the buyer life-cycle, buyers are primarily looking to 'see' what's out there, reacquaint themselves with how it all works, learn what resources are available and start figuring out what it is they want.

In order to attract clients during this phase, brokers need to provide consumers with the type of information and images they're seeking in those first few days of jumping into the process of looking for a home. This is not about 'capturing' leads to hand off to your agents. This is simply about introducing your company, getting on a consumer's radar and creating a good first impression of your company. The key to getting that chance this early in the process is winning the battle for buyers in the search engines.

- **Use best-practices SEO to drive buyers to listings on your website in the initial stages of their searching.** Understand the terms and phrases (keywords) that your customers use to search for properties online. One of the best keyword discovery tools is Google Adwords. Make sure those keywords populate content on your site, especially your property details pages and landing pages.
- **Become recognized as the authoritative source.** Inbound links (backlinks) are a key determinant in search engine rankings. Provide broad, rich content that other sites will want to link to. Ensure that your content is displayed on other reputable sites with no encumbrances (such as “no-follow tags”) back to your site.
- **An image really is worth a thousand words (and greater perceived value).** Your site should grab buyers with attractive photos early in the search process, when they are especially visually-oriented. Buyers typically start their searches by comparing many properties and neighborhoods in order to see what’s out there, what’s available and what appeals to them most. In the Research and Selection phases of the buyer lifecycle, when consumers are whittling down the number of listings they’re looking at, poor photos are often the determining factor in dismissing potential properties to pursue further. In addition, professional photography raises the perceived value of a property by nearly 13 percent, according to a VHT study. So use quality photos in your listings to retain prospective buyers on your site, and enhance the buyer’s perceived value of your listings.

2. Connect/ Engage



Real estate is unlike any other industry/product. The buyer life cycle may extend 18 months or longer as consumers go through the various stages of the process: educating themselves about buying a home; researching neighborhoods; discovering what it is that they really want

and can afford; and comparing properties and locations with the various amenities and attributes that are important to them. Until buyers are comfortable, they don't want to be "captured." They simply want resources and assistance, so if brokers can use their websites to provide the right tools at the right time, build a positive perception of their company, and provide engagement mechanisms that are simple, intuitive and provide obvious value, visitors will eventually become leads or even prospects.

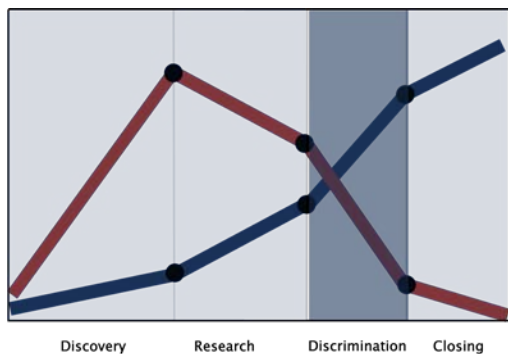
- **Create a connection with buyers.** Use your website to get to know buyers as a good agent would. Almost no brokerage sites are doing this today. What's the reason the buyer is looking for a new home? What are their likes and dislikes when choosing a property, location and neighborhood? Successful agents know that good communication is key to creating connections with buyers. They know it's about asking the right questions and providing customized, relevant information in return. If you want to differentiate your brand, your website should be doing the same.

For example, if a consumer has searched on a general keyword such as "real estate," your site should recognize that buyer is probably still in the initial Discovery or Research phases of their search. They're just looking for basic information – don't scare them off by trying to connect them with an agent or offering to set up a showing before they're ready. Instead, provide

user-friendly, helpful tips on how to find the right neighborhood, how to buy your first home or coping with home-buying stress.

- **Think like a buyer.** Buyers are not ready to close a transaction after a single meeting with a sales agent. They need to get their questions answered and build trust with the agent. The same is true with buyers on the web. Buyers are spending months researching information and properties online. A brokerage site should engage buyers by catering to their need for information at each stage of the buyer life cycle: Discovery, Research, Selection and Closing (as outlined in VHT’s first white paper [“The Lifecycle of Today’s Home Buyer”](#)).

3. Cultivate / Grow



There’s a massive amount of data and information being spewed at online buyers today – a virtual avalanche of facts and figures about prices, neighborhoods, education, crime, taxes and more. Instead of overwhelming buyers with data, your website should prioritize what’s most important to

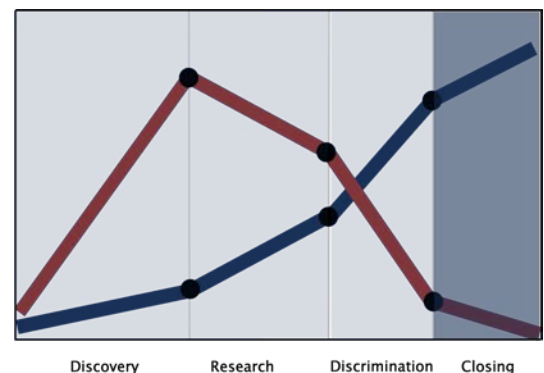
each buyer at each point in the research process as they hone in on their targets. If a buyer’s children have grown up and moved out, for instance, and they’d love to spend more time fishing, then for that client your site should highlight information about outdoor recreation instead of average test scores from the local schools.

- **Provide buyers with customized information.** Provide information that’s relevant, useful to their situation, and demographic. They’ll be more likely to share details about themselves and the kind of homes and neighborhoods they’re looking for if they know it will provide a better user experience for them.

- **Think long-term relationship.** Think of your website as more of a way to build a relationship with a client over the long haul as opposed to just a place to search current homes on the market a few times. Buying can be a frustrating and fragmented process. Help consumers put all the pieces together and they'll keep coming back to your site.
- **Remember that most sellers start out as buyers.** VHT's consumer research shows that people start looking for a place to buy before putting their current home up for sale. Therefore, a fast track to winning listings is to provide buyers with a great experience before they even start to go down the selling process.

4. Convert / Close – Handing off to agents

Obviously, the most important function of a marketing tool, like a website, is to convert visitors into prospects and prospects into leads or even clients. If you've accomplished the goals of attracting, connecting and cultivating a potential client, the last step is getting them into the hands of one of your agents to close the deal.



- **Use simple, appropriate conversion mechanisms.** Make sure that the various ways a potential client can reach out and engage, or indicate they are ready to take the next step, are clearly visible on the site and simple to use. They should be prominent above all else and most importantly, appropriate for where the visitor is on the site and in the buying cycle.
- **Be straightforward in your communications.** Once someone has “registered” or identified themselves as a lead/prospect, communications should be prompt, simple, direct,

professional and on target. Throwing everything but the kitchen sink at them is sure to scare them off.

- **Track ROI.** Measuring website effectiveness is an area brokers can quickly leverage to improve their return on website investment. One best practice is understanding conversion waterfalls (how many visitors does it take to generate a lead, how many leads does it take to generate a showing or contract, how many contracts does it take to generate a completed closing), and then running these waterfalls by traffic source, etc. This process is key to determining what is working and what is not. Another effective tool is A/B testing to compare various calls to action (red button vs. blue button, different text messaging) in order to learn which generates more leads. This can be done on a variety of design elements within a conversion path, and it's the only way to truly know if you are getting the best return on your investment in traffic generation. Analyze, adjust and analyze again – continually.
- **Know when to hand off leads to an agent.** This is the million-dollar question. Handing a lead off too early will most likely kill it, as most agents aren't interested in helping people through the first two phases of the buyer life cycle. Hold it too long and it will wind up being closed by someone else. The best bet is to have the prospects tell you when they are ready. But in order for that to work, you must let them know early on that you have professionals waiting to help at any time and make it as simple and straight forward as possible for them to ask.

Agents must also be held accountable for how they run with the rest of the process. Those that aren't effective should not be a part of the process in the future.

When buyers are not on your site

Even though the web is the battleground for clients in 2012, buyers are not always in front of their computers. Therefore, the ability to attract, connect, cultivate and convert them anytime/anywhere is important.

Think about how consumers are using technology in their everyday lives. What if buyers could call just one phone number on their cell phones to instantly get listing information on any house that they happened to walk or drive by? What if that same call could easily save that listing in their web “favorites” and make it simple to share it with family, friends and their agent? These technologies are not only readily available, they can position your brokerage as the authoritative source of homes for sale information. Offer user-friendly, social media and mobile tools that can make your website the centralized information “hub” for a buyer’s search process. Enable them to easily track all the listings that interest them and organize, manage, socialize and share them with friends and family.

Conclusion

A brokerage’s website is its biggest and potentially most profitable office. The website should primarily be focused on engaging consumers and providing them with a comprehensive information center, not just to search for homes, but covering the entire process of buying and selling a home. It should provide an array of unique user-friendly tools and services that differentiate the brokerage’s brand and help buyers successfully navigate the process of finding their dream homes.

As consumers journey through the four phases of the buyer lifecycle, their needs change, and so does the type of information they’re looking for. Decisions about search engine marketing and

website design should be based on attracting potential buyers and moving them smoothly through each of the stages. Brokerages must bring new digital technologies to the table to keep prospects engaged throughout the journey and convert them into customers when they're ready to buy. This includes assisting agents in managing customer relationships and closing deals. The critical capability going forward will be the broker's ability to create online relationships early in the buying process and continue nurturing them until the buyer has narrowed their choices and is ready to work with an agent.

The industry has allowed third parties to insert themselves in this process. Recently brokerages have begun taking steps to regain control of their most valuable asset – their listings information and visual assets. In evaluating their marketing partnerships, brokers must reassess their internal goals and ask tough questions about whether their partners' interests are aligned with their own: Are they selling technology or advertising? How will they help a brokerage meet its objectives? What expertise do they have that would help? Could they pull buyers away from a brokerage's site? Are they interfering in the broker-agent relationship?

Brokers need to realize that their greatest competitive threat isn't the brokerage down the street but the burgeoning online third parties. The third party sites have used brokers' content to build their businesses and aren't providing anything in return that brokerages couldn't do for themselves (and for consumers). As the true experts in real estate, brokerages **can** market their listings **better and more cost-efficiently**.

It is time for the industry to get control of its online data and online marketing. The stakes are huge – and so is the opportunity for growth.

Read more about 'fighting the competition' in our 4th and final paper in this series – coming soon.

To view copies of our previous white papers, visit www.vht.com/news.

About the Author



Jeffrey D. Harris

As the Vice President of Business Development, Jeff Harris develops VHT's partnerships and builds distribution and affiliate channels for VHT's core business. Additionally, Mr. Harris builds future lines of business targeting the real estate community.

Prior to joining VHT, Mr. Harris served as the Vice President of Business Development for RealEstate.com and for iNest Realty (an IAC/InterActiveCorp/LendingTree company). Mr. Harris was the Co-Founder and Chief Operating Officer of bid4real, an online real estate auction marketplace and a provider of classified advertising for digital media companies. He has a Juris Doctor, with honors, from IIT-Chicago Kent College of Law, and a Bachelor of Science, with honors, from the University of Illinois.

About VHT

VHT is a leading provider of digital marketing technology and services to companies offering unique properties, locations and products who need a comprehensive, cost-effective solution for customer acquisition and driving revenue on the web. VHT Studios provides professional photographers, image optimization specialists and state-of-the-art technology for producing the finest visual imagery. VHT ImageWorks is an integrated and automated platform that includes a comprehensive array of tools that businesses need to increase site traffic, leverage their visual assets and improve sales conversion. The platform requires minimal effort on clients' part, and has delivered measurable results to industry-leading brands by increasing the volume of visitors from search engines and engaging online visitors with alluring visual presentations of their offerings

VHT's team has decades of experience in marketing, technology, search engine optimization and professional production, management and distribution of visual assets – including photographs, video, multimedia tours and Video on Demand television spots for 3,500 client companies. Venture-backed VHT is based in Rosemont, IL.

Works Cited

Quantcast Corporation (2011). Retrieved from Quantcast: www.quantcast.com

REALTORS, N. A. (2009). *Characteristics of Home Buyers and Homes Purchased - 2009 NAR Profile of Home Buyers and Sellers*.