

Improving Home Sales With Online Feedback

How Real Estate Agents Are Winning With Automation

Words have power. With the risk that a property might remain unsold for months, hearing from showing agents is essential. A good word encourages the seller. A bad word arms the listing agent with feedback that can lower the home's asking price. The challenge is getting the word.

In a buyer's market, soliciting feedback is a major challenge. Showing agents often don't respond to calls and when they do, they might not recall the property. The homeowner expects feedback. When "no word" is the standard response, the commitment of the listing agent is questioned. The net result is the house sits, overpriced and unsold.

What can be done to quickly solicit feedback from showing agents? Are there ways to simplify the laborious feedback process?

To address these concerns, listing agents are turning to online listing feedback services. Designed to automate the entire feedback process, these solutions are helping agents sell homes more quickly and become a champion for their customers. This white paper will explore the feedback challenges faced by listing agents and reveal the many benefits of online listing feedback services.

Trends Impacting Real Estate Agents

The Internet has become a major resource for selling homes

The wide-scale use of the Internet as a home selling tool and the sluggish housing market are two major trends impacting real estate agents.

The Internet is central to the home selling process. Nearly 80 percent of homebuyers are using the web to search for a home, according to a major study by the National Association of Realtors (NAR).¹ Those tech savvy buyers are also typically selling a home.

The Internet has changed the face of real estate. "The real estate industry today bears little resemblance to the way we did business 10 years ago. It is

¹ (2005). National Association of Realtors. The 2005 National Association of Realtors Profile for Home Buyers and Sellers.

hard to find another industry that has adopted technology so readily to its customers," said NAR president Thomas M. Stevens.²

Real estate agents are moving to online tools to improve many aspects of the sales process. "Prudent, savvy real estate professionals are desperately looking for technology and proven systems that produce significant returns on investment, while providing increased levels of customer service," explained a report on planning for success in a down market.³ The report went on to explain that agents must automate much of the communications and follow-up process to succeed.

Even though the Internet is helping people sell homes, the fact remains that this is no longer a seller's market. For example, in the summer of 2007, U.S. home sales tumbled to a five-year low, mainly as a result of consumers who could not secure mortgages, according to the NAR.⁴

Since a low of 4 percent in 2004, the prime rate has moved and stayed in the 8 percent range since 2006. In response to higher rates, many existing homeowners who opted for low adjustable rate loans are becoming delinquent. As a result, banks are tightening the standards for homeowners, making it harder for buyers to qualify. This has impacted the entire housing market. Robert Shiller, a Yale University professor, said, "The decline in housing sales could last for some years."⁵

Feedback Challenges

Real estate agents face a number of challenges when feedback is absent. First, it is difficult to persuade homeowners to reduce their asking price. The time it takes to gather feedback is also more work than many agents are willing to take on. The net result is homeowners feel like their agents are not working to sell their homes.

Homeowners Won't Budge on Asking Price

In a down market, the right price is what brings many showing agents through the door. When a property is overpriced, soliciting feedback from the few agents who do visit the home is essential.

Consider an example where a listing agent picks up a new customer through a referral. The homeowner won't budge on the price and it's been challenging to sell the home. The agent explains the price is the source of the problem. The seller thinks he has a lousy agent and tells all his friends. A great referral suddenly leads to a bad reputation for the listing agent.

Conveying the need for a price reduction is a challenging, yet needed, step to sell overpriced homes

² (January 17, 2006). National Association of Realtors. Home buyer and seller survey shows rising use of Internet, reliance on agents. Press release.

³ (January 2006). HouseValues. Real estate in a down market: How do agents plan for success for the next 3-5 years? White paper.

⁴ (August 9, 2007). *South Florida Sun-Sentinel*. Realtors forecast a five-year low in home sales across U.S.

⁵ Ibid.

Telling sellers that their homes are overpriced is a sensitive issue. The goal in communicating negative feedback is to persuade homeowners to lower their asking prices, so their homes will sell. What's needed is an objective way to convey pricing feedback without offending homeowners.

Jumping Through Hoops for Feedback

Asking for feedback is a dreaded process for most agents. Many despise wasting time leaving messages or waiting for return calls that never come.

It's not uncommon for a showing agent to take days to return phone calls. By then, the shown property and feedback are no longer fresh in the agent's mind. No matter how the home is described, often agents can't recall it and feedback is dead on arrival.

"You have to spend hours on the phone, gathering responses from practitioners who visited the home, produce a report for the sellers and then get an earful from clients who aren't so pleased with the comments they read," explains Michael Russer of *Realtor Magazine Online*.⁶ Russer goes on to explain that phone calls soliciting feedback average only a 20 percent success rate, after multiple contact attempts.

Providing feedback is a low priority for agents, especially when the feedback is negative. The showing agent may not want to convey negative feedback and the listing agent may not want to reveal comments to the homeowner. A simple way to solicit and provide feedback is needed.

Responding to Frustrated Homeowners

The home is not selling and the listing agent must explain why. When homeowners are calling and asking for feedback about showings, they expect immediate responses. If agents must explain that they've been unable to gather any feedback, the sellers begin to question their agent selection.

If some feedback was provided, it must be documented and translated into something presentable to the seller. Assembling feedback and delivering it to the homeowner is a lot of work.

Fortunately the feedback process is changing. A brief examination of the evolution of real estate feedback may provide insight into where the industry is headed.

Many calls must be placed to showing agents and most calls are never returned

⁶ Russer, M. (March 1, 2006). *Realtor Magazine Online*. Automate showing feedback.

Brief History of Listing Feedback Methods

Once email and Internet tools became popular among real estate agents, new web services emerged to improve the feedback process

The evolution of listing feedback closely follows the progression of communication technology. In the 1970s, nearly all home feedback required live contact with the showing agent. This typically required the listing agent or an assistant to track down showing agents—a challenging proposition.

As answering machines and voicemail gained popularity in the 1980s, the ability to leave messages emerged. This did not make gathering feedback much easier, but messages could be left to spur an agent to call back with feedback.

Cell phones became popular by the end of the 1980s, increasing the likelihood of live contact with an agent on the move. Email also gained popularity in the mid-1990s. However, many real estate agents did not have email accounts or did not publish them on their business cards until about 2001.

By 2001, online tools such as Realtor.com were gaining popularity. The first online listing feedback solution emerged this year as well.

Today, real estate agents are utilizing mobile devices such as laptops, PDAs and smart phones to access the Internet and respond to messages. Advanced services have emerged that tap the latest technology to ensure feedback is gathered from agents automatically—sometimes as quickly as 1 hour after a showing.

The Solution: Online Listing Feedback

Online listing feedback solutions fully automate the entire home feedback process, freeing listing agents to focus on selling the home

Designed to eliminate the need for endless phone calls, online listing feedback services automate the entire feedback process. As a result, agents are armed with comments that can help lower a home's asking price while the homeowner feels engaged in the sales process.

Online listing feedback services handle everything, including contacting the showing agent, collecting feedback and presenting results to the homeowner. Now feedback can be delivered to homeowners within an hour of showing, without any listing agent involvement.

Leveraging email and powerful online tools, the feedback process is now taken to an entirely new level.

Here's how it works:

- **Showing agent is entered into a system manually or automatically depending on your software:** As showings are scheduled, the name and email address of the showing agent are entered or synched into the online listing feedback system. In the case of an open house or private showing, the homeowner or the listing agent enters contact information.

- **Emails are sent to showing agents:** An email is sent to showing agents within an hour after they visit the home, asking them to complete a quick online survey regarding the property. The email includes a picture of the house to help the agent remember the property. If feedback has not been provided, the system automatically reattempts contact. The seller is notified if a showing agent fails to provide feedback after multiple attempts.
- **Simple online survey is completed by showing agent:** Showing agents are presented an attractive online survey that can be quickly completed. Showing agents can rate their customers' interest in the property, provide feedback on the asking price, indicate the likelihood of a second showing and impart any other insight the listing agent is seeking.
- **Feedback report created:** As feedback arrives, the listing agent is notified via email and responses are standardized into a single report for the property (see Figure 1).
- **Homeowner notified automatically:** The seller can be notified as new feedback enters the system. Homeowners can access partial or full reports of the feedback based on the listing agent's preferences.

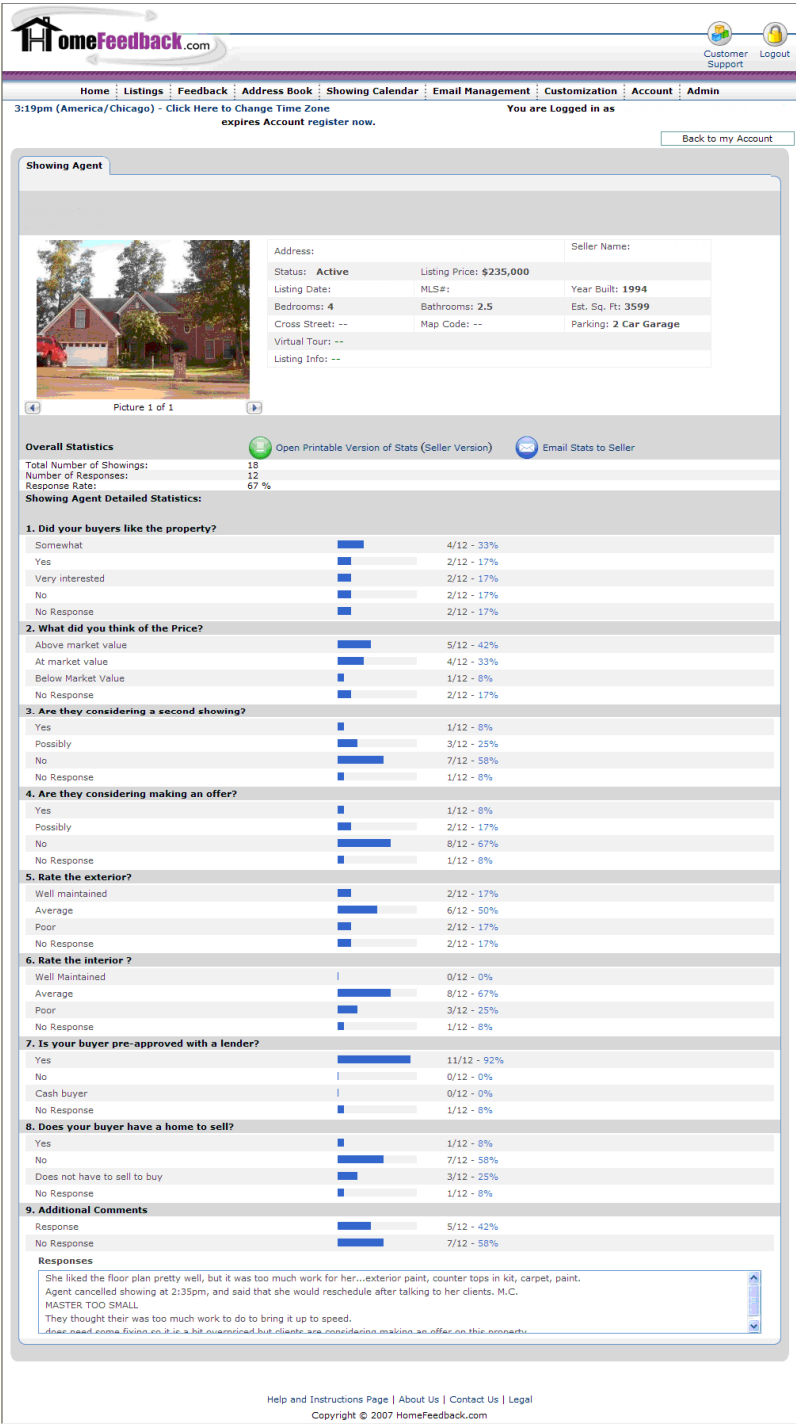


Figure 1: Feedback from multiple showing agents is combined into a single, easy-to-read report.

Advanced solutions also enable showing scheduling and email broadcasts to showing agents (for example when a price drop occurs).

The Benefits of Online Listing Feedback

Online listing feedback systems greatly simplify the feedback process and speed the time it takes to receive feedback

Online listing feedback solutions provide many unique benefits, including:

- **Reduces the time involved with gathering feedback:** Now agents can simply let the system handle contact, feedback and reporting, freeing listing agents to perform other tasks.
- **Speeds feedback response:** The likelihood of gathering feedback increases significantly with online listing feedback. Listing agents report that up to 80 percent of all feedback is successfully collected within days.
- **Encourages greater feedback from agents:** By presenting a series of easy-to-answer questions, showing agents will provide more feedback, arming the listing agent with critical information.
- **Eliminates the need to prepare feedback reports:** All feedback on a property is compiled and presented in real time, removing the need to prepare reports.
- **Persuades homeowners to reduce pricing:** If a house is priced above the market, the homeowner will quickly see the objective feedback within the system, speeding a price reduction.
- **Improves homeowner satisfaction:** By quickly providing homeowners access to feedback, they become part of the communication loop and are confident their agents are using the most effective tools to help sell their homes.
- **Helps listing agent secure new business:** Sample feedback reports can be shown in listing presentations as a competitive advantage.
- **Ensures buyers' agent remembers the home shown:** Photos of the home are displayed in email communications and during the feedback collection process to ensure the agent recalls the home.
- **Engages seller in the sales process:** Often homeowners can enter agent contact information into the feedback system, speeding feedback and allowing the seller to participate in the process.

Seek a solution that automatically notifies homeowners of new feedback and work with a company that has relationships with major Internet service providers to ensure high email delivery rates

What to Look For in an Online Listing Feedback Solution

When seeking a service that provides online listing feedback, consider the following important requirements:

Provides seller access: Seek a solution that enables the homeowner to enter showing agent contact information into the system to speed feedback. In addition, the homeowner should have access to the system to track feedback.

High feedback rates: Only select a solution that averages at least 70 percent feedback rate.

Lock Box Integration (If Applicable): Select a solution that saves you time and sends feedback requests automatically by synching to your lockbox software.

MLS Integration: A Feedback system should have an IDX(Internet Data Exchange) to your MLS system to import data into your Feedback system to alleviate extra data entry.

White-listed email: Look for a company that has strong relationships with major Internet service providers to ensure feedback emails are delivered.

Showing appointment calendar: Seek a solution that allows scheduled showings to be put into the system so automated feedback requests can be sent immediately following a showing.

Email broadcasting support: Look for a solution that makes it easy to notify showing agents of property changes or events, such as a price drop or pending offer.

Automatic homeowner notification: As showing agents provide feedback, the system should notify homeowners without any action by the listing agent.

Customizable email scripts and survey questions: The ideal solution should not only include prewritten scripts and feedback questions, but should allow the showing agent to easily customize email and question messaging.

Offers feedback incentives: An advanced solution allows listing agents to offer incentives (such as baseball tickets) to showing agents who complete feedback.

Established in the industry: Work with a recognizable name that has existed for at least 5 years to improve the response rate for agents familiar with the service.

Stores listings: Ask if the home listings are stored so feedback can be gathered or emails sent if a home falls out of escrow.

Live human support: Work with a company that provides direct access to live phone support to help meet immediate needs.

Accommodates many photos: The feedback system should support many pictures of the exterior and interior of the listed home to help showing agents recall the property's distinguishing characteristics.

Presentation templates: Look for a solution that includes presentation templates to help sell services to new homeowners by describing the competitive advantages of online listing feedback.

The HomeFeedback.™ Advantage

More than 400,000 real estate agents have used HomeFeedback.com

Founded by real estate agents for real estate agents, HomeFeedback.com pioneered online listing feedback and operates the world's largest service. Since 2001, more than 700,000 real estate agents have used HomeFeedback™.

Designed to meet all of the requirements outlined in this white paper, HomeFeedback™ is a powerful online tool that greatly simplifies the task of soliciting and communicating feedback.

Listen to one of thousands of agents has said about the service.

"I just wanted to let you know how valuable HomeFeedback.com has been to me. After closing a home recently, my sellers said that HomeFeedback™ was the easiest way of communicating with them and to see what buyers thought of their home. It helped me show that the price was originally too high and we made the adjustments and sold the home for a record high in the subdivision," said real estate agent Rick Wesselhof.

It's time to leverage the power of feedback. It's time to eliminate painful phone calls. It's time to better serve your customers.