



WAV GROUP

Mobile Search for the
Real Estate Industry

Property Buyers Go Mobile

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In today's real estate market, listings are relatively easy to secure, buyers are not. In order to thrive, REALTORS® need to find breakthrough ways to unleash the power of the localized marketing tools available to them, beyond using the internet. This paper will discuss a new concept called Mobile Search which will greatly enhance a REALTOR®'s ability to grow their business using traditional, "offline" marketing vehicles. Mobile Search provides real estate professionals with an affordable method for dramatically improving lead capture and conversion rates while significantly improving the return on investment of advertising vehicles like print ads, yard signs and real estate television shows.

Several studies have shown that consumers interested in buying a property desire more information than ever before from their agent. They demand real estate information and follow-up in real time. The proliferation of real estate information on the Internet has trained consumers to expect information within seconds. They are frustrated with the lack of rapid response generated when they contact an agent using traditional means of advertising real estate. When a consumer pulls up to a home, or looks at a magazine ad, for example, they expect to be able to access information instantly or to talk directly to the listing agent.

Local Marketing – Missed Opportunities

When NAR asked consumers what marketing tools are important and relevant in their home search in the 2006 Profile of Home Buyers and Sellers, a real estate agent was the number one tool mentioned followed closely by the Internet. It is important to note that "Internet" is a widely used term in the real estate industry that refers to website marketing. One of the key reasons why consumers value getting real estate information from a REALTOR® and the Internet is that they get a rapid response. When a consumer asks an agent a question or inquires for more information on a website, they get an answer. They are both "interactive" tools. They both allow a consumer to connect with a REALTOR®.

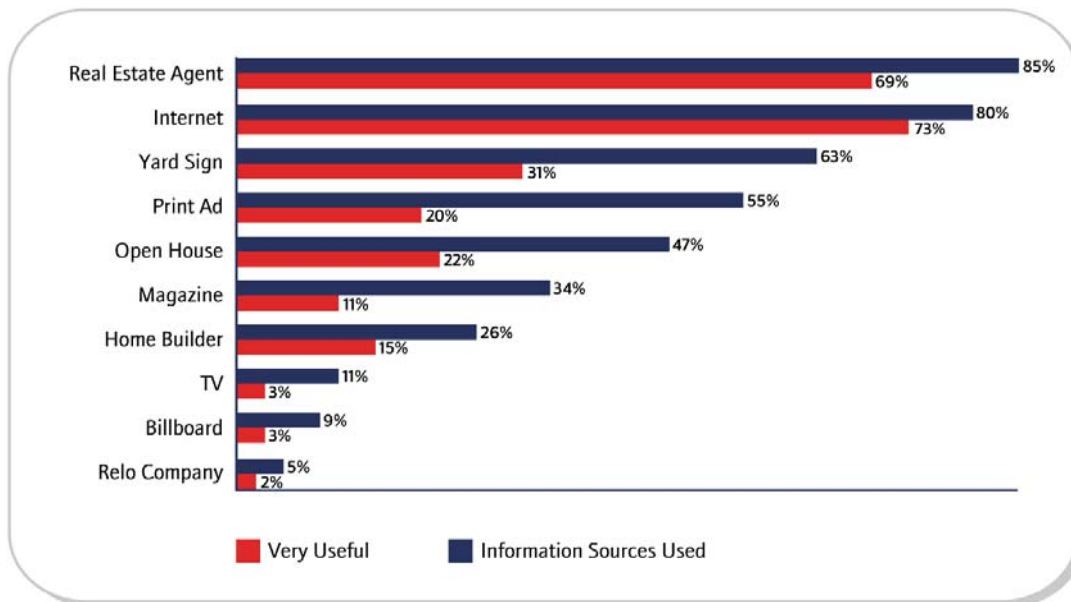
Consumers in their home search also use yard signs, newspapers, magazines, and other localized marketing programs frequently. These tools are very valuable because they are uniquely targeted and localized and designed to stimulate response. If a consumer is interested in a home they see while driving by, for example, the yard sign has the opportunity to play a significant role in connecting the interested client with the REALTOR®. If a consumer is interested in relocating to an area and picks up a local real estate magazine, they are much more likely to be interested in purchasing a home than a person who is casually surfing the Internet. Real estate magazines can also play an important role in driving a consumer from the print ad to a REALTOR®'s website where the client can learn more about the unique capabilities of the agent. Newspaper ads also target the local client interested in timely dissemination of open houses available for the weekend.



What tools did you (the consumer) use in your home search?

Each of these localized marketing tools plays an important role in the real estate transaction, yet the relevance of these tools is significantly lower than the frequency they are used in the real estate transaction. According to the 2006 National Association of REALTORS® Profile of Home Buyers and Sellers, while yard signs, print ads and magazine ads are used frequently in the real estate sale, they are not deemed to be nearly as useful as the Internet. One of the main reasons for this lack of effectiveness is that there are no “interactive” feedback methods built into these marketing tools.

Information Sources used vs. Usefulness of Information



Source: The 2006 National Association of REALTORS® Profile of Home Buyers and Sellers



It is interesting to note, for example, that even though nearly 2/3 of consumers use yard signs in their home search process, only 31% of consumers say yard signs are “very useful”. This data suggests that if yard signs were more valuable and mirrored some of the interaction delivered by the Internet, they could play an even larger role in the home buying process.

The same holds true for newspaper ads. While print ads are used by 55% of homebuyers and sellers, only 20% believe they are a “very useful” tool in the real estate sales process.

Real Estate television shows and billboards could also be more effective if they could be more interactive and provide a method for a consumer to connect to a real estate agent in real time to accessed valued information.



Tracking the response rates of off-line media has always been more of an art than a science. Both “impressions” in the off-line world and “hits” in the on-line world suffer from the same problem of anonymity. An agent may know the circulation of a real estate magazine or the click through rates of a banner ad, but they have no idea who has read their ad and may be interested in the property. Agents also have choices of different publications. Knowing stated circulation and number of distribution locations is not necessarily an accurate measure for tracking response. Often racks don’t get refilled or they are in mass market locations that are not very targeted. A method to track actual responses (with name & phone number) from offline marketing channels can help real estate professionals execute more effective marketing campaigns to build their brand, invest marketing wisely, as well as sell more real estate.

Mobile Search

There is a new category of marketing tools now available which can significantly improve the marketing value of “off-line” advertising such as: yard signs, magazine ads, newspaper ads and other localized marketing programs. These tools, called “Mobile Search” allow each of these formerly passive marketing tools to become interactive and dynamic. Mobile Search allows a REALTOR® to connect to a potential client in real time from any form of localized marketing a phone number can be displayed.

New Methods to Connect with Potential Clients

Consumers are looking to learn as much as they can about a property while they are in front of the house, looking at a print ad, reading a flyer, looking at a billboard, or watching a television show. The listing agent has a split-second opportunity to take advantage of the consumer’s interest in the home. Unfortunately, the methods used traditionally to support a consumer at the time of initial interest are many times inadequate. The listing agent has a terrific chance to secure a new client and yet, they let them get away!

Rather than invite the consumer to call the office or to go to the Internet to look up additional property information, the new concept of Mobile Search allows the consumer to use their telephone to get detailed listing information. Mobile Search also connects the potential homebuyer with the listing agent in seconds.



Here are a few of the typical scenarios consumers experience currently:

Scenario #1 – Empty Flyer Box

A potential homebuyer is driving by a home and notices that it is for sale. The house intrigues them and they like the neighborhood, so they pull over because they see a flyer box. They happen to stop by the home on Sunday evening. There was an open house on a home up the street from this one which generated a lot of traffic into the neighborhood. Consequently, the flyer box is empty so there is no listing information available for the home. The client writes down the phone number of the agent, but forgets to call them the next day. Because there were no flyers, and the consumer forgot to call the agent the next day, a potential buyer was lost. Ultimately, the agent has no record of who takes curbside flyers and no method for follow-up.

Solution

By using Mobile Search, the client is able to call a phone number and receive listing information on their phone within seconds. They are also able to receive a text message or email with complete listing information. Now, there is no need to ever refill a flyer box. The potential client can get everything they need with one simple phone call from their cell phone.

Scenario #2 – The Floor Duty Call

The consumer sees a print advertisement on a property, or pulls up to the house and likes the curb appeal of the home. They are interested in learning more about the home, so they call the office number. The call gets answered by the person assigned to floor duty. Since many established agents give up their floor time, the call will more likely be answered by a junior agent. Many times the consumer may not have the exact address of the home or there may be more than one home for sale on the street so it takes the floor duty agent some time to find the correct listing. This can be frustrating to the consumer and they may just get a quick overview of the home and get off the phone as quickly as possible. They may not ask for an appointment, or for anyone to contact them after the call.

Another problem with floor duty calls can be that the agent does not adequately figure out whether the caller is a potential buyer or simply a "nosy neighbor". It may be a potential home seller trying to better understand the relative value of their home. It may waste the time of the listing agent and keep them from focusing on qualified, interested clients.

Worse yet, the interested client may already be working with an agent, but they build a rapport with the floor-duty agent and agree to view the home the following week. The agent who has already engaged with this client may lose them to the floor duty agent.

Solution

By using Mobile Search, a consumer no longer has to deal with the unpredictability of a floor duty call. The potential client can call a phone number from their cell phone and the information delivered is completely within the control of the listing agent. The potential buyer gets complete listing information and the listing agent will be contacted while the consumer is still on the phone so they can follow-up immediately.

Scenario #3 – The Cell Phone Waiting Game

The consumer drives by the home or sees it in a print ad and is interested in the property. They have their cell phone with them so they call the agent's cell phone number listed. The agent's cell phone goes to voice mail because they are on another appointment or just not answering because it's the weekend. Several hours, or even days, pass before the consumer gets a call back. By that time, he or she does not even remember which home the agent is referring to because they inquired about several homes on the same day. The consumer looking to relocate to the area has returned back to their home area by this time and can't view the home even if they would like to. Because the agent did not return calls on the weekend, even local homeowners have gotten busy with their daily lives and can't find time to see the home now.

While the agent with the home for sale did not return their call in an appropriate timeframe, another agent with a listing in the same neighborhood returned their call within a few minutes so the consumer decided to work with them instead.

Solution

Getting back to inquiring consumers within minutes pays big dividends. If a potential clients calls the cell phone listed on the yard sign or print ad and does not get a response within several hours or days, the opportunity is lost forever. By using Mobile Search, a REALTOR® can guarantee a potential client will not "get away." Mobile Search technology provides instant answers to the consumer, collects their contact information and sends it to the agent. Even if the agent cannot answer their phone immediately, they will still be able to follow-up with the potential client later.

Scenario #4 – Spanish-Speaking Client meets English Speaking Floor-Duty Agent

A young Spanish-speaking first time home buyer drives by a home and they are very interested in it. They pick up the flyer and it is printed only in English. They call the real estate office and they only speak English. They call the agent's cell phone and they get a voice mail in English. They are most likely going to move on to another property, or agent, that may be more sensitized to their needs.



Solution

If an agent were using Mobile Search the Spanish-speaking client would be able to access listing information in Spanish and could even be connected to a Spanish-speaking agent if desired.

In each of these scenarios the listing agent has likely lost the opportunity to pursue the interested consumer as a potential buyer for the home, or potential client. The real estate professional did a great job securing the listing, but they were not successful in leveraging their localized marketing tools.

Measuring effectiveness of marketing efforts

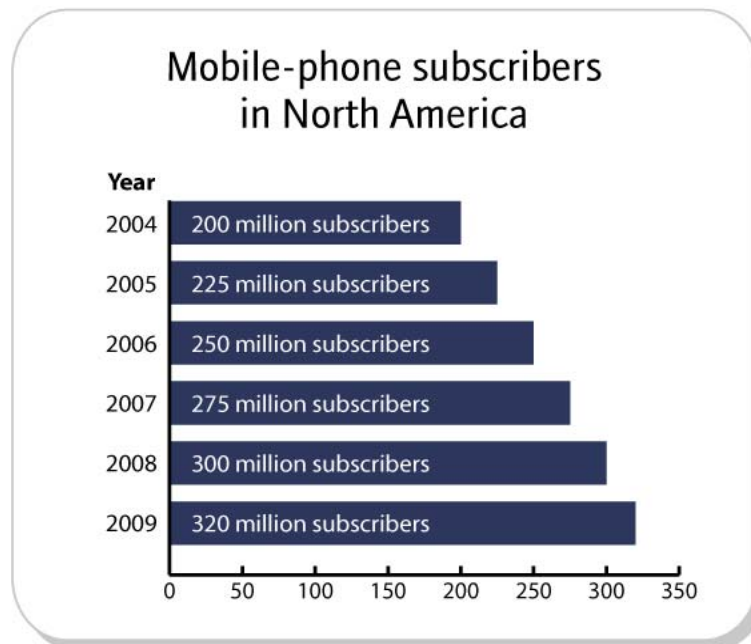
In a down market, every agent needs to critically evaluate every marketing dollar they spend. Many agents are interested in trying new technologies, but they are unsure about what current marketing programs to eliminate to fund the new initiative. How do they know how effective a print ad is in generating lead traffic or how do they evaluate which print ad company to work with? Currently there is no method to quantitatively measure the effectiveness of most real estate marketing tools.

By employing Mobile Search, an agent can track the leads being generated by each of the marketing tools they use. They can see that they received 5 calls from the yard sign, 2 calls from the real estate magazine ad and no calls from the newspaper, for example. If they see a consistent pattern for where their leads are coming from, they can eliminate one type of marketing tool and reallocate the funds to another marketing tool. In fact, an agent can track up to 11 different media sources to measure which tools are the most effective for promoting a property.

Mobile Communications are Exploding

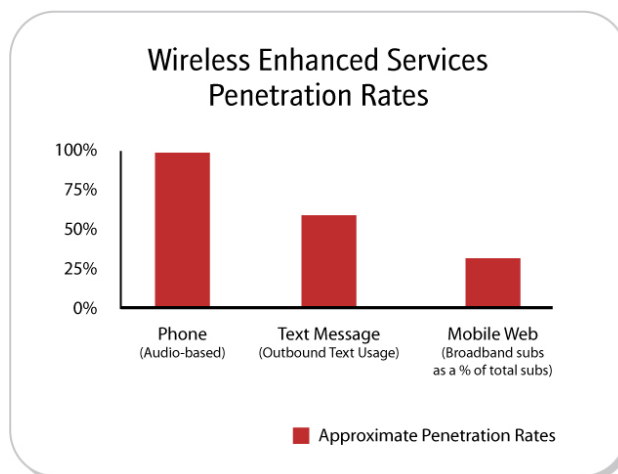
According to the Gartner Group, a leading technology research firm, there are approximately 260 million cell phone users in North America today. This translates to nearly one cell phone for every person in North America including children. Projections also indicate growth of cell phone adoption will continue to increase. It is arguably one of the most ubiquitous technologies available today, second, only to televisions. Now that Microsoft is leading the way to introduce mobile technology into cars, this trend will become even more robust.

Mobile-phone subscribers in North America



The Mobile Consumer and how they connect for Information

There are three methods that consumers use to get information from their cell phone: Voice (phone), Text Messaging and Internet connections through wireless broadband services.



Currently approximately 35% of consumers have the ability to access the Internet through their phones. This form of mobile communication provides the greatest opportunity to deliver rich real estate information, but it creates one key problem. When a consumer accesses listing information via their smartphone, they are actually accessing the REALTOR®'s website. In more than 70% of the cases, there is no requirement for the consumer to register to receive the information on real estate websites. While the

information service being provided by REALTORS® may be very valuable, they have no ability to capture the contact information of the consumer and thus the opportunity to build a relationship with them.

Text messaging has a strong subscriber penetration of approximately 65%, yet according to a study by HSBC bank, only 38% of wireless subscribers have ever made an outgoing text message. While this form of communication can create instant communication with a consumer, the communication is usually limited to 160 characters,

which is not enough space to deliver relevant listing information. Text messaging services generally require an additional monthly fee and many cell phone users do not opt to pay for this additional service (5-\$20/month). Text messaging does have one key advantage; however, it allows the REALTOR® to capture the name and phone number of the person they are sending a text message to so they can use this information for lead generation.

The traditional telephone capabilities of a cell phone currently provide the only truly ubiquitous method for communicating with 100% of wireless subscribers. By delivering a service which utilizes the telephone combined with automated voice prompts, the consumer can receive listing information while they are standing in front of the home or reviewing an advertisement. The phone automatically captures contact information for the person inquiring about the listing (including: name, caller ID, property of interest, media source of inquiry and language preference). Voice services do not require the purchase of a Smartphone nor do they require a subscription to enhanced services such as text and broadband service to operate.

With the enormous infrastructure in place to provide ubiquitous mobile communication, via hundreds of thousands of cell phone towers, it is unlikely that alternative options for Mobile Search will exist outside of the cell phone in the short-term. Over the next four to six years, the phone combined with voice services will win the Mobile Search race for access to property buyers, ease-of-use and lead generation. After that, look for mobile broadband to assume leadership as subscription penetration increases.

The Advent of Mobile Search for Consumers

There are some technology companies in the real estate industry, which have begun to harness the ubiquity of the cell phone to deliver mobile search capabilities to consumers. They are using cell phones to help real estate professionals leverage the incredible marketing power of the mobile real estate consumer. REALTORS® who are using mobile search technologies are proving that providing consumer's with information in real time as they are driving by a property, or looking at a print ad significantly increases the odds of selling more real estate.

Mobile Search is improving the efficacy, and thus usefulness, of localized marketing tools such as the yard sign, print and localized cable broadcast with the promise of immediate automated information gathering that exists only on the web today.

Audio Search – The Definition

Audio Search is based on a technology which allows a consumer to do an IDX search using audio commands instead of a website. The system is based on a sophisticated technology which searches MLS databases using the street number and a filtering algorithm. It allows a consumer to search the entire MLS property database from any cell phone. All they need to know is the street number or MLS number of a property.

VoicePad® MobileIDX™ Audio Search, for example, takes active, updated listing information available now to consumers at real estate websites and converts the information to professional-grade speech and allows property searching from virtually any telephone. Consumers can simply call a phone number and gain access to listing information for one or more properties at a time. Through a set of voice prompts and touch-tone entries, they can perform a search by street number or MLS number and gain instant access to basic listing information. They can also request more detailed information via email or text message.

While the consumer is listening to property information on their phone, the system is contacting the listing agent (via text and email), providing them with the contact information of the inquiring party and letting them know that the consumer is on the line and is interested in learning more about the property. The real estate professional can then call the potential client immediately, answer questions and schedule a showing appointment. In addition the real estate agent will receive an email with the interested party's contact information for follow-up at a later date.

Available in English and Spanish

Currently, in the United States there are 6.9 million homeowners who are Spanish-speaking. 25% of first time homebuyers are Spanish-speaking and this number is expected to grow to 40% in the future.

Approximately 1.5 million Latino households will buy homes by 2010. According to the Tomas Rivera Policy Institute, a nonprofit, freestanding research organization that advances critical, insightful thinking on key issues affecting Latino communities says another 700,000 Latino families could become homeowners if the housing industry offered bilingual outreach, counseling and access to innovative mortgage products. VoicePad offers audio search information in Spanish as well as English, supporting this traditionally underserved audience. Now when a Spanish-speaking potential client likes a property, they can hear all about the listing immediately in their own language. Live inquiry transfers are automatically forwarded to Spanish-speaking personnel (the listing agent is notified of the transfer). All lead reporting indicates the language preference of all inquiring parties.

Serves the needs of Internet Buyers

According to the California Association of REALTORS® Internet vs. Traditional Buyers study, 70% of consumers now deem themselves to be "Internet" buyers meaning they rely heavily on technology tools in the real estate purchasing process.

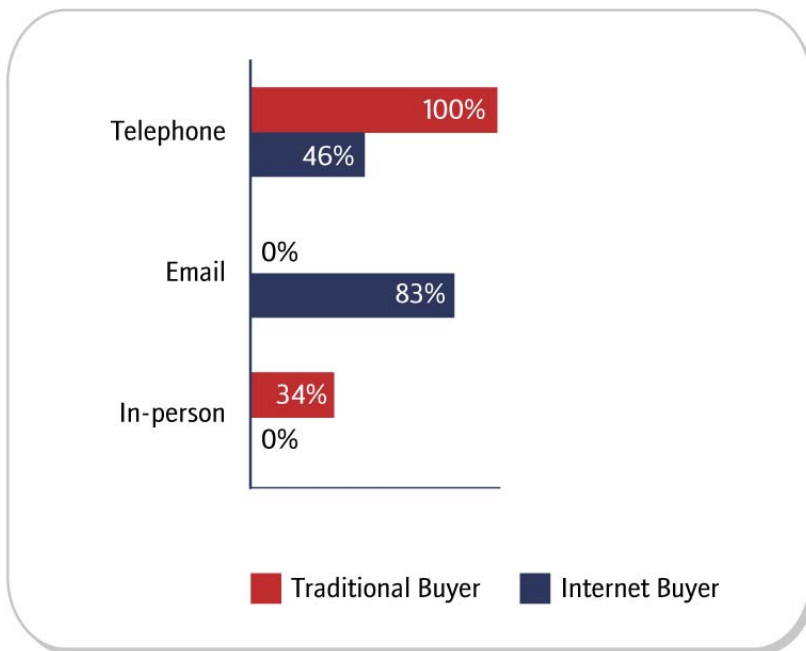
According to the same study, 44% of Internet buyers expect a response from an agent in 30 minutes or less. It is important to point out that "response" in this case, does not always mean a live response. It can simply be an email, which provides the information



which was requested. If a consumer has to call the floor duty agent or worse yet, get the voice mail of a real estate agent, it will be very difficult, if not impossible to meet these expectations. By using a Mobile Search solution, a real estate agent will satisfy the consumer need for instant information and significantly increase the potential to capture and convert the interested party into a client.

The California Association of REALTORS® study also points out that 83% of Internet buyers prefer email as their primary means of communication with an agent followed by the telephone. Traditional buyers prefer the telephone, or at least use the phone to set up an in-person meeting. Mobile search provides means to provide better support to both Internet and traditional buyers.

What are your preferred means of communication with your real estate agent?



Robust solution for Smartphone Consumers

There are an estimated 44 million smartphones in the United States as of third quarter, 2007. Purchases of smartphones are increasing dramatically especially with the exciting product innovation coming from BlackBerry® and Apple®. Smartphones as defined have capabilities to receive email, photos, text messaging and even generate maps with the latest GPS enabled phones.

VoicePad also offers a PDA / Smartphone solution (MobileConnect™), which is an example of a robust search application made specifically for Blackberry®, Palm®, and

Windows® Mobile platforms that can empower the consumers to search for property the same way from their mobile phone as they do from a home computer. VoicePad MobileConnect™ can even map the property so that a husband could send his wife the directions to the property he is standing in front of so she could meet him there.

Mobile Search – Results to Date

Users of Mobile Search solutions are very pleased with their results to date.

More Leads

Brokers and agents who are using VoicePad® solutions have seen significant increases in the amount of leads generated from their listings.

“The quantity and quality of leads we get through VoicePad is unlike anything else we’ve ever done. Having such early connections to high quality leads has been a tremendous boost to our business across the board. We’ve had over 8,000 property inquiries in just 3 months. Our agents love the simplicity of setting up properties, and our customers compliment us on the quality of the property presentations. VoicePad has quickly become an integral part of our business strategy.” **Marge Patterson**, COO, Vice President Century 21 Realty Group

Secure More Listings

REALTORS® using VoicePad’s Mobile IDX solution are finding another key benefit to the product. They are using it successfully as a listing tool. Some agents have been able to secure luxury home listings by talking about the unique marketing benefits of VoicePad’s product.

“I presented VoicePad to a prospective customer ... and I closed the listing on a two million dollar home because I offered this new technology.” **Anthony Acosta**, P.A., Agent Majestic Properties

Make Print Ads Work Harder

Successful users of Mobile Search are demonstrating how integrating VoicePad enhances the tracking of response-rates of off-line marketing efforts that can improve the effectiveness of traditional advertising to generate leads as well:

“In the last 2 ads we ran with the VoicePad Info 24/7 number in the ad, we received more calls than any other time. ...As a real estate Broker who's been in the business almost 20 years, this is the program we've always needed.” **Joe Simms**, Broker RE/MAX Associates



Sell More Real Estate

Most importantly users of Voice Pad's Mobile Search solutions have proven that it has helped them sell more real estate. The technology has also been proven to help sell homes more quickly.

Melinda Duncan, Broker said:

"VoicePad has helped us generate an additional \$38,000 in commissions. We have sold two additional houses and it has become our point of difference. Our clients really appreciate it when we tell them we can capture information about who is interested in their home and get back to them immediately so we can help them sell their more quickly than ever before"

Still others credit VoicePad with generating more leads and real estate sales.

"Within the last 10 weeks I have earned \$29,903 in commission, listed two houses \$229,000 and \$560,000, plus converted 33 inquiries to client gateway (searching for homes) and have a couple out this week ready to purchase. This ENTIRE activity came from my VoicePad service." **Hugh Gilliam**, RE/MAX Around Atlanta

"So far, I've used VoicePad 2 times for two houses I had listed. I loved it! It brought me a buyer and a listing." **Susan**, Agent, Prudential Select Properties

Breakthrough Product

"Rarely am I as impressed with a product as I've been with VoicePad. Unlike almost all of these 'new' tools, VoicePad caught my attention because it is truly different. In my opinion, VoicePad has ascended to a 'Best of Class' category of sales and marketing tools for the real estate industry. We look forward to using VoicePad service as a key component of our marketing toolkit." **Harrell Tague**, Broker / Owner RE/MAX Properties East

Measure Effectiveness of Advertising Tools in Generating Leads

By embedding mobile search media tracking capabilities into each element of a marketing campaign, agents and brokers can get a better idea which advertising tools are generating the most leads. Some users of the system have been able to adjust their marketing mix to maximize the amount of leads being generated. One agent said:

"I now can monitor all elements of my advertising campaign and I can tell which programs are bringing me the most hits and the most calls"

Conclusion – Making Local Marketing Work Harder

Providing buyers with tools to perform their own searches in the mobile environment will be the next big technology shift in the real estate industry. Real estate professionals can allow consumers to register their name, caller id (of their mobile phone), and email address on their website. Registered buyers will receive emails with rich content brochures created directly from the listing database and text messages on homes in which they have an interest. The Buyer's representative is also notified of properties in which there is an interest. Immediate phone connection to the buyer's representative substantially reduces the need for agents to "cart" around buyers to look at pre-determined properties.

When a REALTOR® utilizes Mobile Search technology, they are much more likely to turn a drive by consumer into a qualified lead. The potential client will receive listing information in real-time and will have the opportunity to speak immediately with the listing agent to learn more about the unique features of the home. They will appreciate the immediate response, especially if they are younger and more tech-savvy.

For real estate professionals who want their listings, yard signs and local print to work harder for them, and for those who want to become the most responsive they can be to potential clients, Mobile Search is definitely a tool that is worth serious consideration.

Learn More

If you would like to learn more about how Mobile Search can help you generate more leads and close more sales you can go to www.voicepad.com

About the Authors

WAV Group is a leader in providing consulting services to the real estate industry and is comprised of corporate executives with a depth of expertise in both the real estate market as well as the consumer market. The company has conducted studies for some of the largest organizations in the industry including the National Association of REALTORS®, California Association of REALTORS® and others. It has also authored several of its own studies including its annual MLS Technology Survey, Mid-Year Technology Update and many others.

The company works with Multiple Listing Services, real estate firms, franchise organizations and technology vendors in the US, Canada and Europe. WAV Group has expertise in the areas of content development, market research, strategic planning, product development, distribution, marketing, and technology evaluation, selection and implementation.

For more information, contact Marilyn Wilson at marilyn@wavgroup.com.





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