

WAV GROUP

Broker Website
Effectiveness Study 2008

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About the Authors

Victor Lund is a founding partner of WAV Group, a prominent national consulting firm in the real estate industry with offices in California, New York and Florida. Recent projects include Strategic Planning for many of the largest MLSs and Technology firms in the real estate industry. 2008 publications include MLS Consumer Website Study, Broker Website Effectiveness, MLS Data Sharing Report, Listing Syndication Effectiveness Case Study, and Online Listing Accuracy Research.

Michael Banducci is a third year intern from California Polytechnic Institute in San Luis Obispo, CA. In addition to this white paper Michael has supported WAV Group partners in research for Roost, Threewide, MLSPIN, Metrolist, HAR, CLAW MLS and MRIS. WAV Group values the contributions that Michael has made and the many hours of personal effort he has expended applying his statistical expertise to our reports.

About WAV Group

WAV Group provides professional consulting services to the Real Estate industry. Our firm helps Multiple Listing Services, associations, real estate firms, franchise organizations and technology vendors in the US, Canada and Europe reach their business goals. Whether it is a vendor selection and implementation for a real estate association, assisting a technology vendor develop a better user interface for their product or conducting research to determine member or client issues, WAV Group always begins with a clear understanding of the needs and objectives of the customer as well as the end user. Our team can help you outline a new strategic direction for growth, product or service improvement. We can help you to better understand the needs of your members and clients by proven research methodology. We can assist you to make wise technology decisions and stay with you and drive implementation. In short, we work with your organization to help you successfully reach your specific business objectives!

Introduction

The WAV Group has long endeavored to provide real estate practitioners with insightful research that will guide them in making informed business decisions in the management of their companies. Inspired by the dynamic development of Internet based marketing solutions, we felt that it was time to measure the impact to broker businesses today.

In this study, WAV Group aimed to build a helpful set of indices based upon data that tracks consumer behavior on a subset of the nation's real estate broker websites.

Methodology

We reviewed fewer than fifty broker websites in the production of this information but exceeded our goal of one million Unique Visitors. We diversified the broker sample size by including the world's largest broker and some firms with fewer than two hundred agents. In all, we were provided access to the analytic packages attached to their website to collect information.

In all, we looked at the behavior of 1.5 million Unique Visitors over a one-week period of time. WAV Group is confident that the sample set was large enough and diverse enough to accomplish the goal of creating an index. Brokers can use this data to contrast against their individual website to determine effectiveness in key areas of website performance and thus make better decisions.

Executive Summary

With few exceptions, all consumers will use the Internet in some way to influence them in the purchase or sale of their home, their car, their cell phone, their computer, and sometimes even their spouse. Every consumer facing business today must offer information over the Internet about his or her products and services. Real Estate knows this.

Through our investigation of 1.5 million people using broker websites, we can offer these suggestions that will help brokers understand how their website impacts their business.

Very few new customers come from the Internet. New customers come from all of the places they traditionally have come from – *your brand* – referrals, yard signs, business cards, and

advertising. Fifteen years ago the telephone was the primary source of contact between a consumer and a broker. Today, the Internet is replacing the telephone as the first point of contact. Web traffic on broker sites confirms this: **69% of visitors to broker websites type the website address into the browser.** More astoundingly, if visitors do not remember your website address, they are likely to go to a search engine and type in key words that include you or one of your agent's names. Although technically this would be included in search engine traffic, because they are looking for your company, you should be mindful that they are also visiting your site as a result of your brand. **Of the 20% of your website traffic that comes from Search Engines, 78% of them are searching for you.** Hence you can add an additional 16% to the number of visitors who type in the URL of your website to conclude that **85% of all traffic to your website already know you.**

The combined efforts of website marketing, which include Search Engine Optimization, Pay-Per-Click, Online Advertising and Listing Syndication are all focused on 15% of your online exposure.

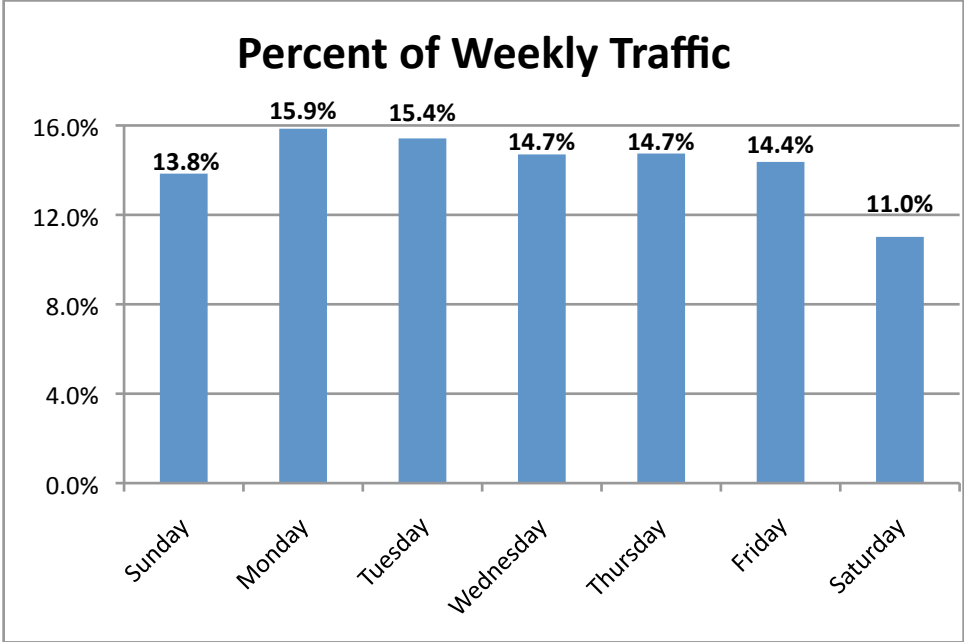
Faced with this understanding, brokers need to strongly reconsider their approach to their website. Your customers are not strangers. They are *people* who have been influenced by your brand and purposely engage you through your website. They need to be treated as guests and as such, attended to with an eye toward the very service your firm is capable of and known for: access to accurate and timely information supported by quality agents who are comfortable engaging a consumer using email or web conference.

This is how you did business before the web. Face to face. Belly to belly. And this is how it should be done today.

Online marketing tactics – Listing Syndication, Search Engine Optimization, and Online Advertising – are not strategies primarily intended for new client acquisition, although some new business will ensue. The primary purpose of your website is to shore up confidence in your online marketing expertise with the home sellers that you represent. Furthermore, it supports your recruiting efforts. Most agents harbor a belief that the Internet is where business comes from. Much of this is born from a belief shared by their customer. However, like many beliefs formed from anecdotal hearsay, research proves otherwise. This should not serve to discount the fact that your online marketing efforts indeed support client desires and well positions you as someone who can work all the angles. But the promise of acquiring a wealth of tangible results is unlikely.

Broker Website Effectiveness Report

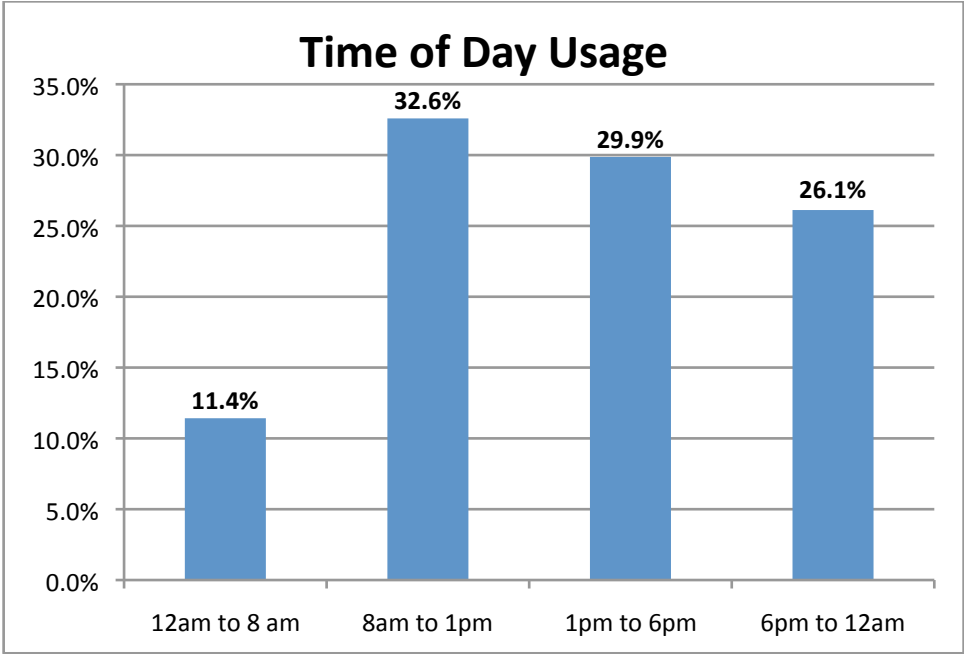
Visitors by Day of week



We collected the number of visitors each day as a percent of the total number of visitors who came to the site that week. Monday and Tuesday are the two highest days; Saturday, the lowest, is followed by Sunday. Daily traffic is relatively flat across the week; the two slowest days still account for 25% of weekly traffic. Although fewer people are coming to the site over the weekend, the benefits of having staff able to respond to inquiries may still be of value.

Broker Website Effectiveness Report

Visitors by Time of Day



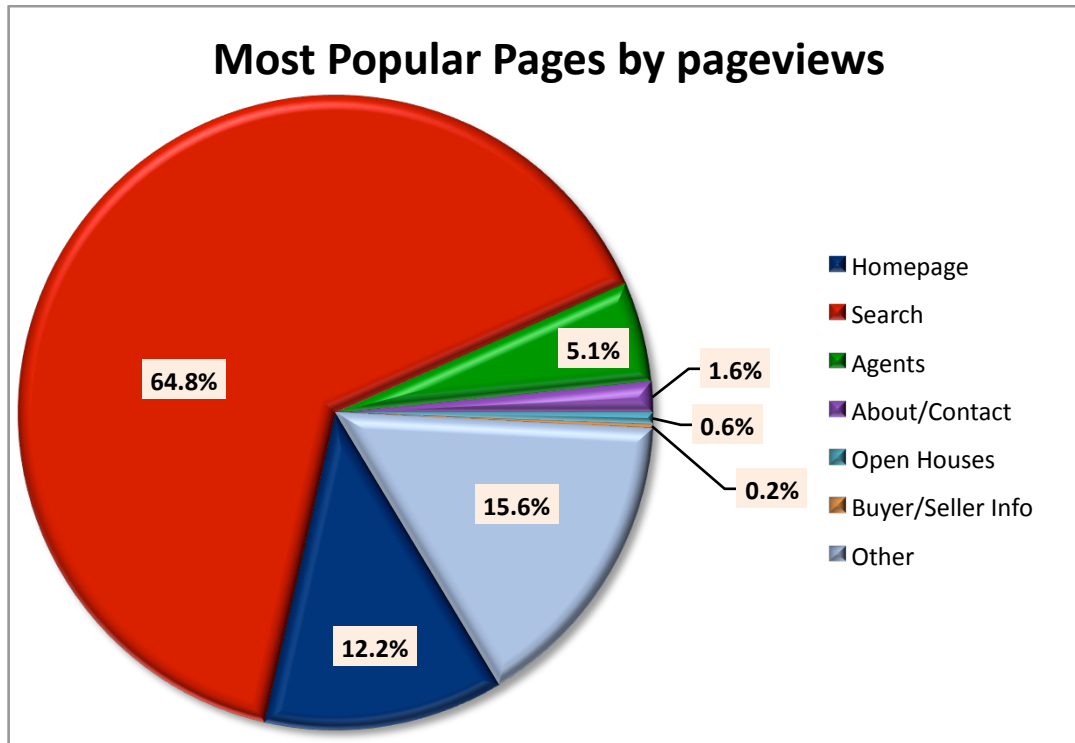
Consumers visit websites primarily during the “working” hours of 8 AM to 6 PM, which accounts for almost 2/3 of all traffic.

Since 26% of consumers are visiting between 6 pm and midnight, companies should consider having a lead distribution system that allows for inquiries to be addressed during those hours by agents.

If you want to develop more business from your website, focus on being the first to respond at any reasonable time of day.

Broker Website Effectiveness Report

Most Popular Areas of Broker Websites



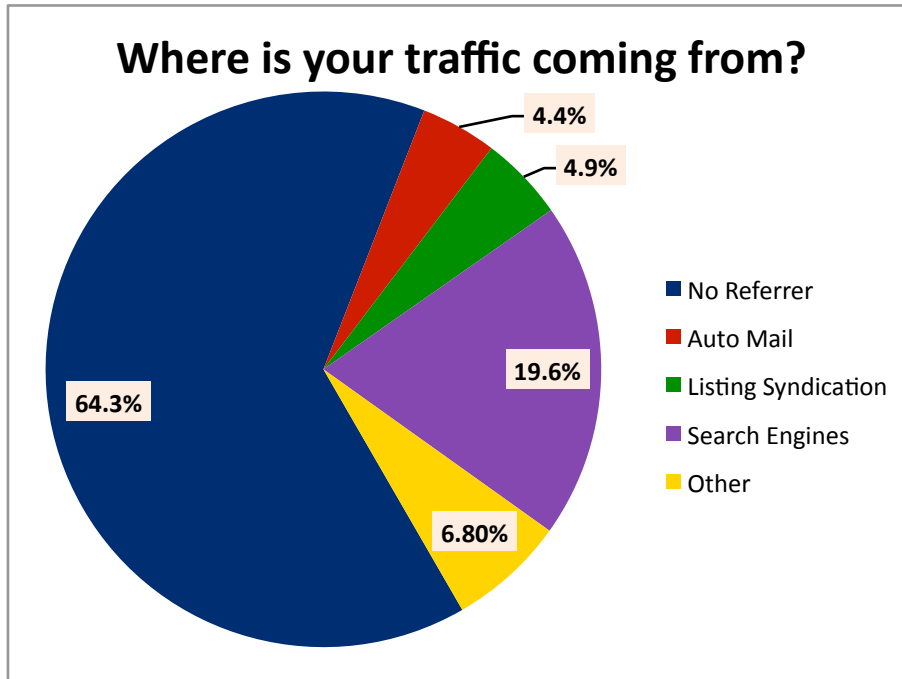
Not surprisingly, **property search was by far the most popular area of a broker website.**

We evaluated the most popular pages using the number of page views (or pages loaded) as our guide. The largest issue was classifying pages into categories. The way the information was presented to WAV Group differed based upon which web statistics program we used for the site. In addition, the way sites were built added another dimension of inconsistency to the classification process. The homepage for each site ranks high on the list, as we would expect. The search pages are approximately five times more popular. Because these numbers are based upon page views, consumers are carrying out roughly four to five searches per visit. The other category, which presently accounts for 15.6% of page views, is overrepresented because of the limited number of classifications used and an inability to correctly classify a page based upon the URL string. Some brokers, notably the larger ones, offer a user portal, and some page views from these portals were lumped into “other” due to the classification methodology.

When you are evaluating your site, do not overwork the community pages or the buyer and seller resources pages. They are rarely used. Stay property-centric and incorporate neighborhood information on the listing detail page.

Broker Website Effectiveness Report

Ways That Visitors Get to Broker Websites



If you do not study your website performance already, this may be a surprise statistic. Despite search engine optimization efforts and the emergence of syndication to third party property search websites, the broker URL is the most likely way that visitors access your website. This is the guiding light of offline media. Yard signs, business cards, flyers, newspaper ads, magazine ads, television and all offline media are doing an enormous job of keeping the broker brand relevant.

*There has been a shift in the call to action away from **telephone** to **website**.*

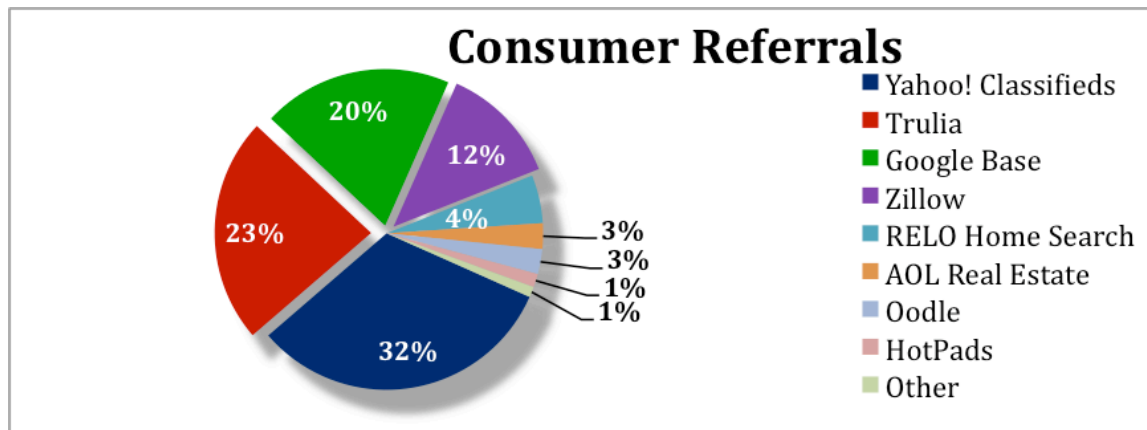
The statistics programs isolated direct traffic and search engine traffic. We only classified the referring traffic. Referring traffic relates to other websites that allow consumers to click through to your site. Referring traffic makes up on average 16.2% of all website traffic.

We found 4.4% of traffic coming from auto-mailing services that brokers provide. This service allows for users to save searches and then input their email addresses to be notified when a new property becomes available that matches their search criteria. The referring URL, us.mc551.mail.yahoo.com for example, allows for easy classification of such referrals. This broker website driven traffic, also a type of direct visit, was broken out to allow you to see the proportion of repeat visitors from listing notification tools. Adding this to the aggregate of direct traffic brings **the total of direct traffic to 69%**.

Broker Website Effectiveness Report

Listing Syndication

Listing syndication sites accounted for 4.9% of website traffic. Listing syndication includes, but is not limited to, Listhub, Trulia, Zillow, Realtor.com, Craigslist.org and local listing sites. WAV Group performed a study earlier in the year on the Northern Nevada MLS market that showed the distribution of traffic from these publication sources. Realtor.com is not included in this tabulation – suffice it to say that Realtor.com is proportionally higher than Yahoo based upon the differences in overall web traffic numbers.



This slide is from the Threewide NNRMLS Listing Syndication Case Study performed by the WAV Group in 2008. Visit Threewide.net for more information.

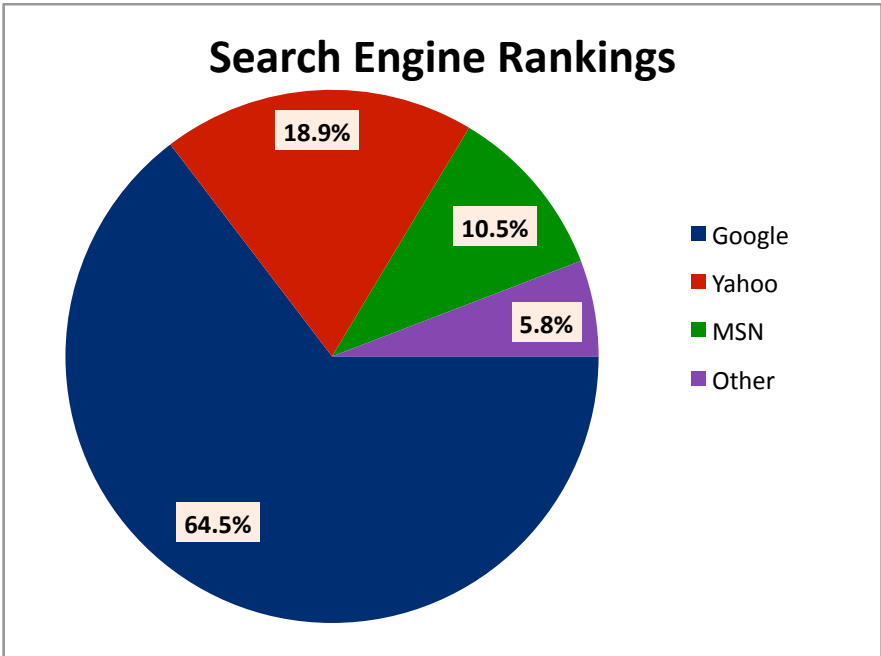
The “Other” category includes a myriad of referers coming from blogs and random sites that, when visited, are completely blank, and IP addresses that do not go anywhere.

Listing syndication represents about 5% of traffic – demonstrating that this is an effective tool to promote online marketing to sellers, but only an emerging field for driving convertible business to the broker and creating new real estate sales.

As long as syndication is free, stick with it unless the publisher undermines your trust or profit.

Broker Website Effectiveness Report

Search Engine Traffic

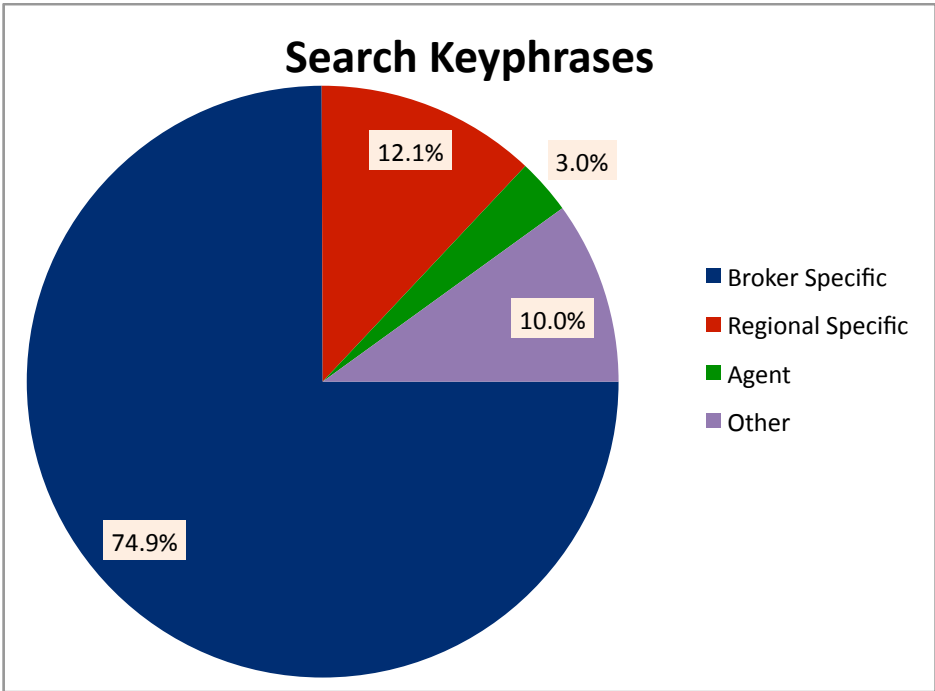


As mentioned above, 19% of all broker website traffic is coming from search engines. Google is dominating the search world and accounts for roughly 2/3 of all searches. Yahoo is second with 18.9% followed by MSN/Live with 10.5%. The remaining 5.8% in the “Other” category represents searches on AOL, Ask Jeeves, Altavista, CNN and others.

If your company is engaged in a pay-per-click advertising campaign, Google and Yahoo are the most prominent places to consider. Conveniently, they have formed an advertising partnership, and soon you will be able to manage your ads on both sites through one management console.

Broker Website Effectiveness Report

Search Engine Keywords



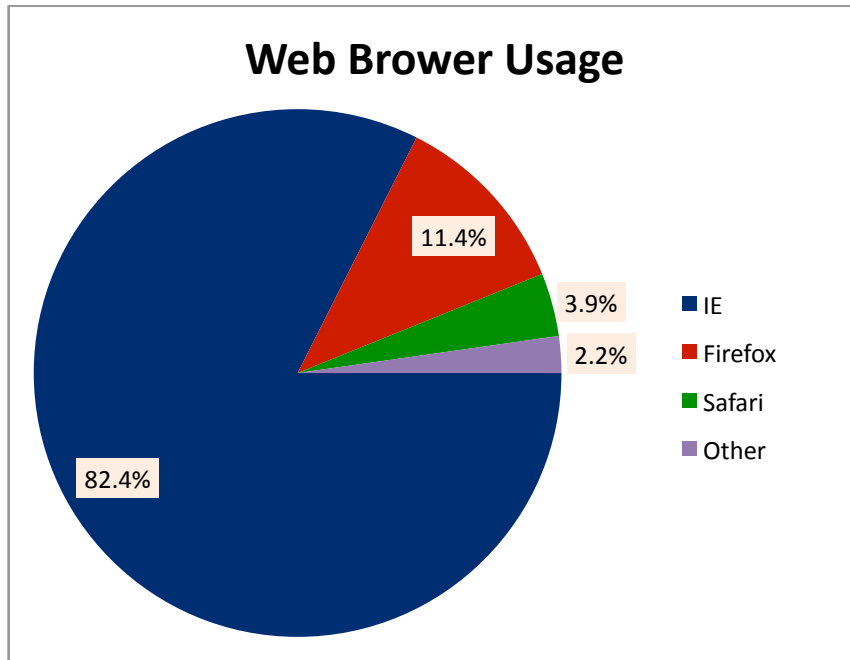
Most consumers know the broker name they are looking to discover online when they use search engines. Consumers run few searches on generic, location-based key phrases like “San Luis Obispo real estate.” Nearly ¾ of consumers are looking for the exact brokerage name, like “chase international.”

“Other” is compiled mostly of one-word key phrases that were void of any discernable intent on the part of the searcher. Included is a number of random letter and number combinations that do not indicate anything (including MLS numbers).

The take-away from this data reflects that search engine optimization services are focused on multi-keyword search terms that only equate to 10% of broker search engine traffic, and less than 2% of your overall traffic.

Broker Website Effectiveness Report

Web Browser Popularity

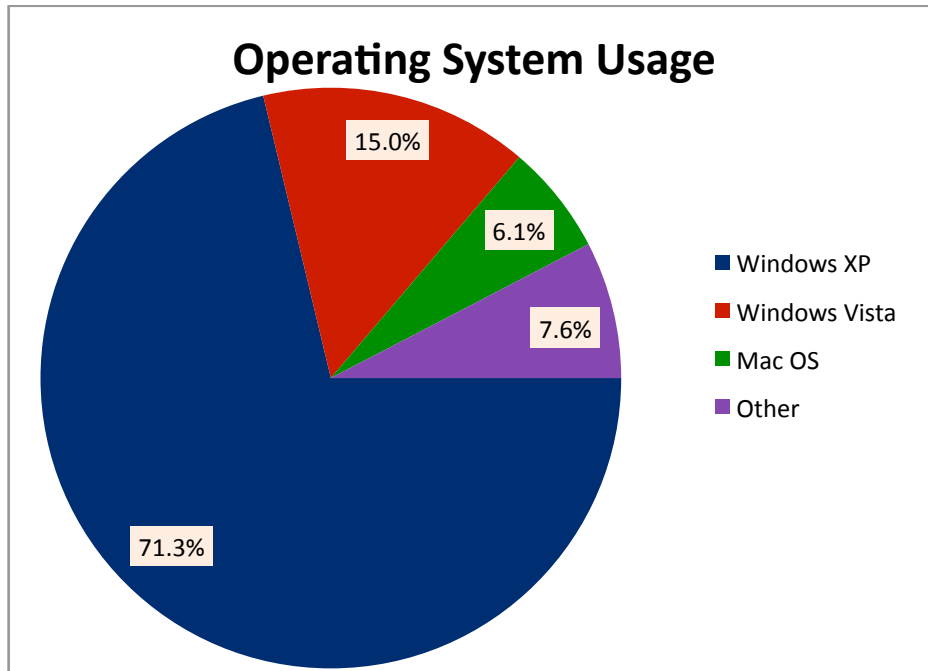


The folks at Microsoft will be pleased to know that they are still the dominant browser platform used by consumers on broker websites today. However, upstart Firefox has gained significant share and Apple's Safari has emerged as a contender.

This data was reported by the various web statistics programs. 82.4% of consumers are using some version of Microsoft's Internet Explorer down from 95% only five years prior. Mozilla's Firefox is second in popularity with 11.4%, followed by Apple's Safari browser at 3.9%, a number that is rapidly growing. Opera, Netscape, Camino, other Mozilla products, Playstation 3 & PSP constitute "other." At the time of the study, Google's Chrome was not released. We briefly looked back at a few sites to find that Chrome was being used but less than 1% - still astonishing given its short time on the market.

Broker Website Effectiveness Report

Operating Systems

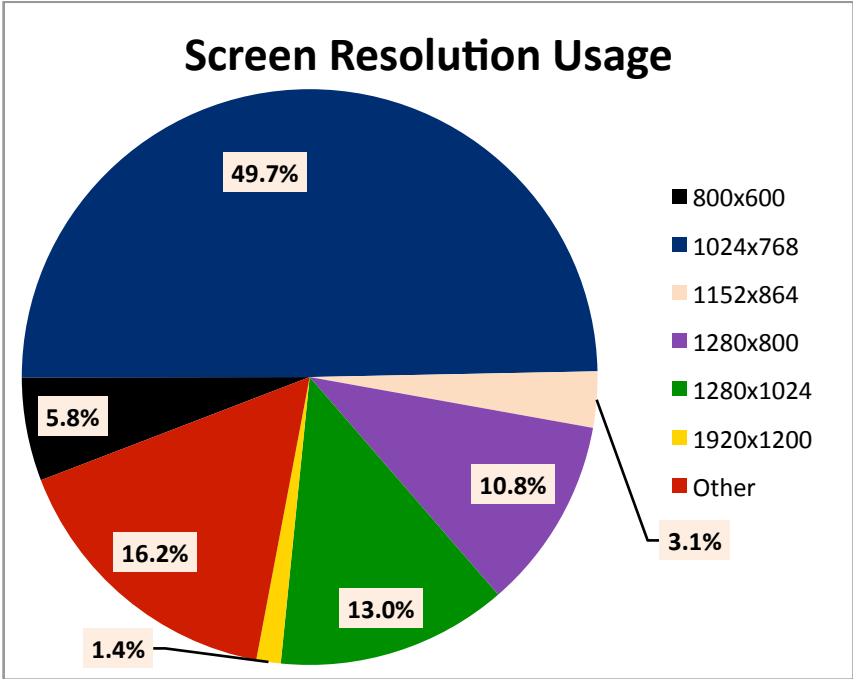


As expected most people are running either Windows XP or Windows Vista accounting for a combined 86.3%. Various versions of a Mac OS were the second largest single group. "Other" includes: other versions of Windows, iPhone, Linux, Nintendo Wii, iPod, Palm OS, PSP and PS3, etc.

Use of Apple computers by consumers is growing. If your website does not support Apple, you are offending a key audience of affluent, highly educated home buyers and sellers.

Broker Website Effectiveness Report

Screen Resolution, aka, Screen Size Setting by Pixel Width and Pixel Height



The key take-away from this information is that if your website is optimized to a width resolution of 800 pixels, you are wasting a lot of the screen space available for the presentation of information. Map Search, large photos, and content all benefit when previewed in 1024 pixels or higher.

This information was reported directly from the web statistics program. "Other" contains the vast amount of resolutions that were reported. Some of these are rather odd screen resolutions and many are from mobile devices.

Special Thanks

WAV Group would like to thank Steve Murray of Real Trends and Craig Cheatham of The Realty Alliance for their support in recruiting brokers to participate in this research. Without their help in contacting their friends in the broker community, this research would not happen. It takes a lot of trust and courage for brokers to reveal their performance data for research.

Although additional brokers participated in the research, some have asked that their names remain confidential. All brokers in the study were assured that none of their data would be specifically reported.

A special thanks to our broker friends:

Century 21

Coldwell Banker

ERA

CBC Worldwide

Sotheby's International Realty

Better Homes and Gardens

Coldwell Banker Village

Patterson Schwartz

John R Wood, REALTORS

Chase International

Century 21 Hometown

Zeitlin & Company REALTORS

Prudential Fox & Roach, REALTORS

NP Dodge Real Estate Sales

RE/MAX Gateway

Dickson Realty

William Raveis Real Estate

Danberry

Lyon Real Estate

Allen Tate Company

Ebby Halliday, REALTORS

H Pearce

Stark Company

Anonymous Brokers

