WAV Group 2011 MLS Technology Survey

A Data Review of:

Age, PC/Internet Technology

Comfort and Agent

Performance

WAV GROUP

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WAV Group 2011 MLS Technology Survey Background

From September 23, 2011 to October 21, 2011 WAV Group fielded the WAV Group 2011 MLS Technology Survey to participating MLSs. 66 MLSs, representing 33 different states and provinces participated in the survey at both staff and user level. 10,779 individual participants filled out the survey completely making it the largest survey of its kind. Participating MLSs received, at no cost, a full report on the vendor they currently use as well as a matrix report showing how all MLS vendors performed on the "1 -10" rating questions. We hope all MLSs will take part in the WAV Group 2012 MLS Technology Survey to realize these beneficial reports at no charge.

If you would like you may register for the 2012 MLS Technology Survey in advance to insure you will not miss this valuable information, provided free for your MLS. To register or for more information contact us at:

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Report Overview

At the conclusion of the 2011 survey, WAV Group published the 2011 MLS Technology Survey Executive Summary providing the rolled up results as well as some interesting statistics.   We highlighted a number of very interesting trends and findings and if you would like to download a copy of the report, click here.

One thing we learned that is very interesting and important to note when evaluating survey results is that staff and users have totally different opinions of the technology they use. Staff uses technology differently and their interaction with the vendor is on a different level. They don't buy and sell real estate. They don't do CMAs. They don't work with prospects and they don't really encounter on a day-to-day basis the types of issues that users face as they go about their business. This is why we only included MLSs in the results that had both their staff and their members fill out the survey. Staff tends to rate systems much higher than users. But, when you choose an MLS system who is it really for? Your members of course! You need staff opinions but member feedback is critical for valid information.

A Deeper Look at a Specific Data Slice

In this post, we want to go a bit deeper into the data to look at some other interesting finds. With almost 11,000 respondents we thought it would be interesting to look at three different slices of the data, Age, Comfort with PC and Internet technology and actual Sales Performance measured by number of sides in a year. We had a number of questions we wanted to explore. Is it true that people very comfortable with technology do the most business? Is there a difference based on age? Is there a direct relationship?
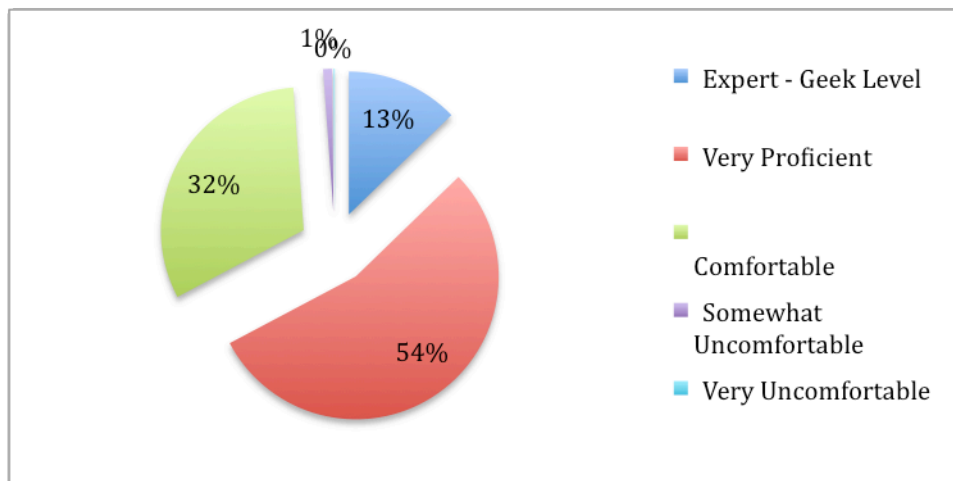
Methodology

To look at this topic, we first split our data into two age groups to compare number of transaction sides with PC and Internet technology comfort between the groups. The age groups are: 45 years of age and younger making up the "younger" group and 46 years of age and above making up the "older" group. Then we created a series of cross tab pulls of the data looking at it in detail to see just what, if any, the relationship is between age, performance and comfort with technology.
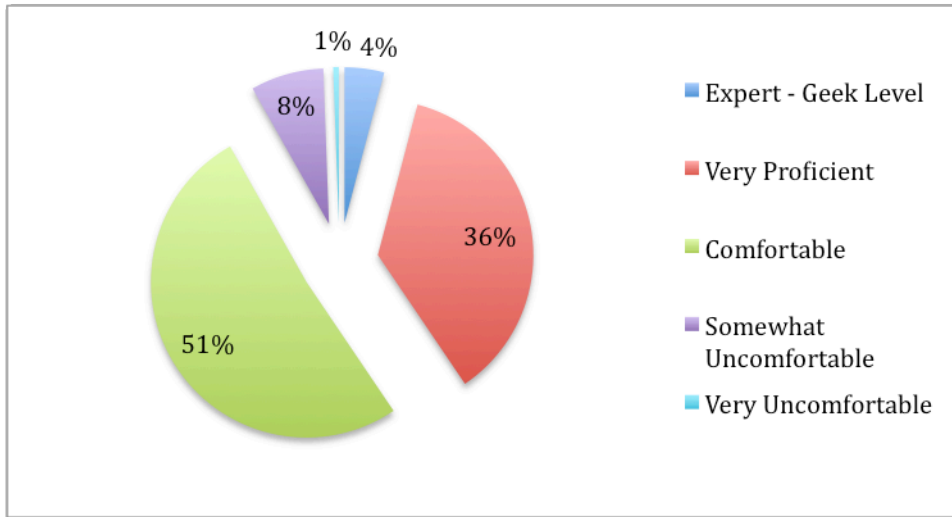
Comfort With Technology

Below is a pie chart showing the comfort level percentages of all respondent's ages 45 or younger. For respondents 45 years of age or younger, 13% of respondents under the age of 45 rated themselves as "Expert – Geek" level while 55% rated themselves "Very Proficient" with PC and Internet technology comfort level. The second largest percentage, 32% rated them selves as comfortable with technology while 32% said they were at least "Comfortable". This means that 99% of younger respondents are at least comfortable with technology while over 68% claim they are very proficient with technology or are at expert level.

Younger Group

A pie chart showing comfort level percentages for the younger group:
- Expert - Geek Level: 13%
- Very Proficient: 54%
- Comfortable: 32%
- Somewhat Uncomfortable: 1%
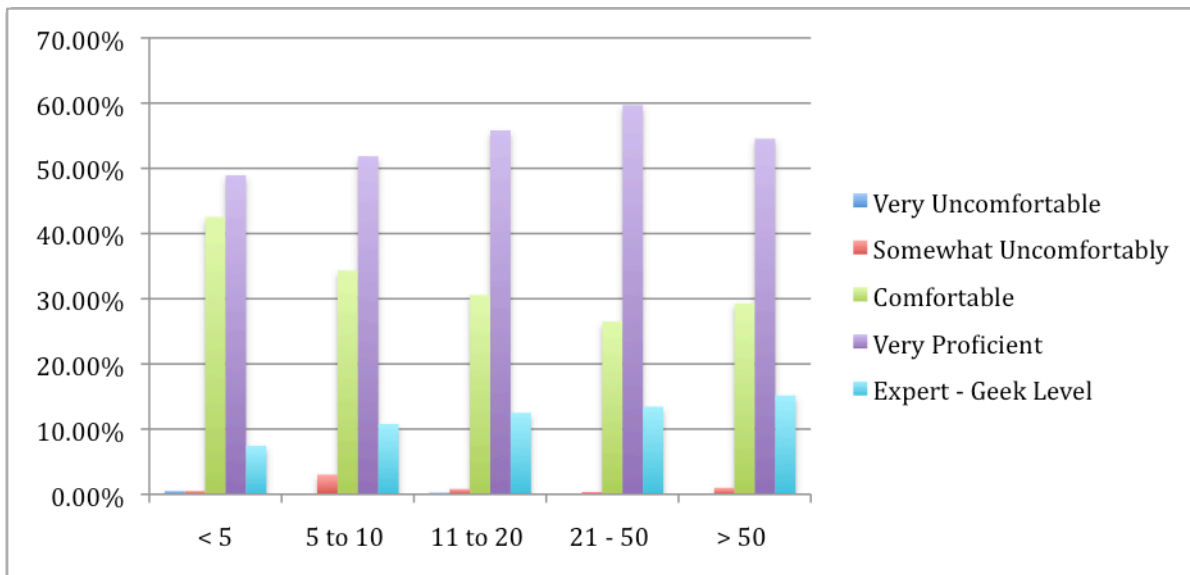- Very Uncomfortable: 0%

Older Group

We see a considerable difference in technology comfort with the older group with 9% saying they are either "Somewhat" or "Very Uncomfortable" with technology. Only 40% say they are "Very Proficient" or "Expert –Geek Level" compared to 68% for the under 45 group.

Comfort With Technology and Sales Performance

In the grid below, a cross tab analysis compares comfort with technology vs. number of transaction sides per year for all respondents 45 years of age or younger.
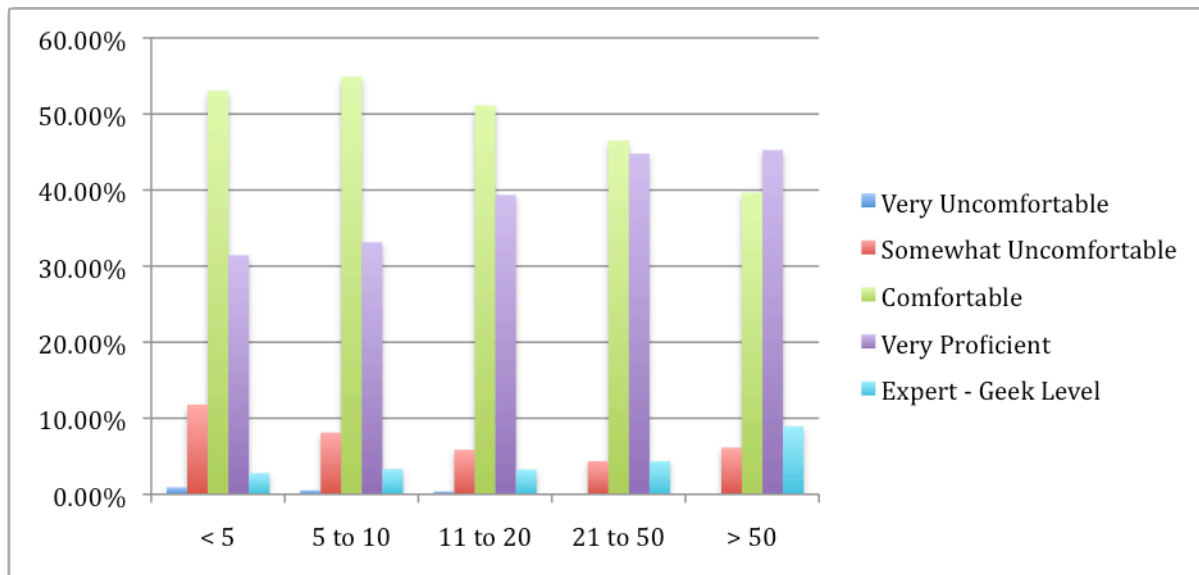
Younger Group

A couple of things stand out from these results.

- First, very few of the respondents see themselves as "Very Uncomfortable" or "Somewhat Uncomfortable" with technology in this age group.

- The majority in every group considered themselves very proficient.

- The "Geek Level" was well represented and consistently rose as sales increased.

- Those that consider themselves just "Comfortable" with technology were highest in the category of <5 sales and as sales go up, they go down. What this might imply is that it is harder for those that are just "Comfortable" with technology to be a high performer today.

- Low performance is also evident if we look at the "Somewhat Uncomfortable" and "Very Uncomfortable" categories though, interestingly enough, there were a few agents that said they were "Somewhat Uncomfortable" with technology and still report over 50 sides a year.

Older Group

A few things stand out on this chart:

- When we look at the over 45 crowd and sales performance it appears clear that technology comfort goes hand and hand with success.

- Even more than the younger group, we see tech comfort rising consistently in the higher sales groups.

- The biggest difference is the greater number of those "Somewhat" or "Very Uncomfortable" with technology as compared to the younger group, which might be expected. Even so 91% say they are at least "Comfortable" with technology.

A Closer Look at Technology Comfort Levels and Performance

With these facts in mind, let's take a look at the comfort level within each sales level to see how each group stacks up for the under and over 45 groups.

In the chart below the percentages represent the number of people in each group that had at least 50 sides per year.   We see a considerable difference between the younger group and the older group with about 70% of the under 45 group reporting they are either "Very Proficient" with technology or at the "Geek Level" while only 54.19% in the older group report the same.

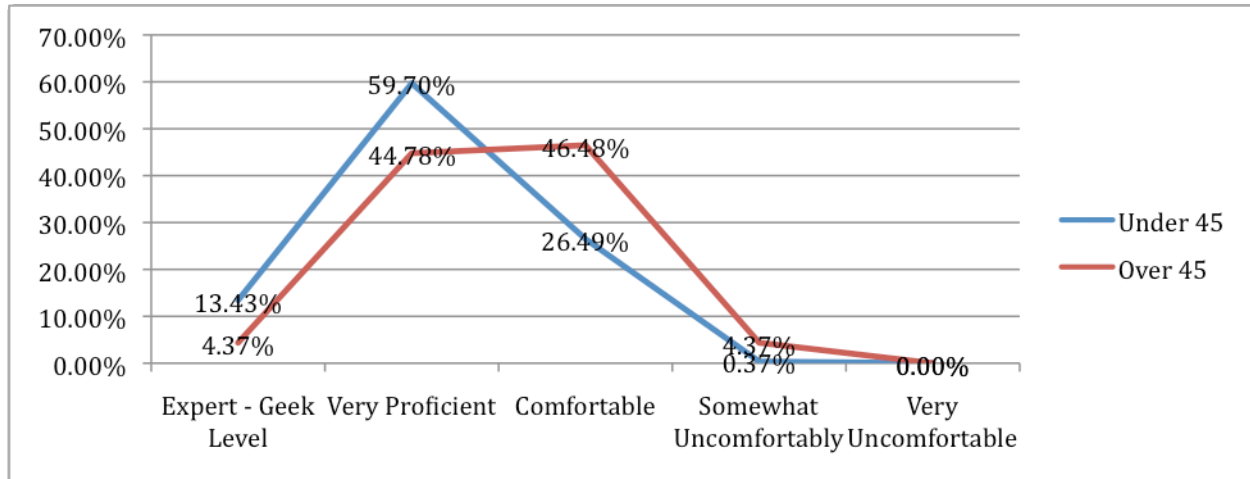## >50 Sides Per Year

Under 45/Over 45 Comparison
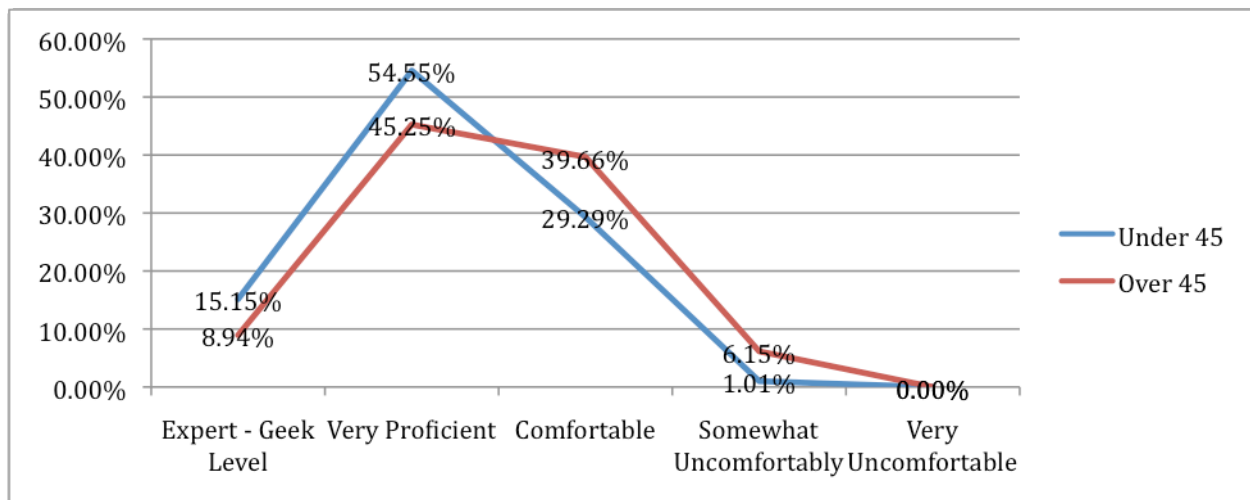
We also notice when we look at the 45 and older group that there are more agents "Somewhat Uncomfortable" with technology that still do a significant business (6.15%) compared to 1.01% in the younger group.

We might expect performance to be tied somewhat to technology comfort but in some ways we were surprised there was not more of a difference in perceived comfort than respondents report. Of course, this doesn't mean they all use technology equally only that they are not intimidated by it. There appears to be no question, that some level of comfort with PC and Internet technology is important to be successful in real estate today. Whether comfort and use of technology actually creates more business or those doing more business are simply more comfortable with technology can't be proven by these results, but there is certainly a strong indicator they go hand in hand.

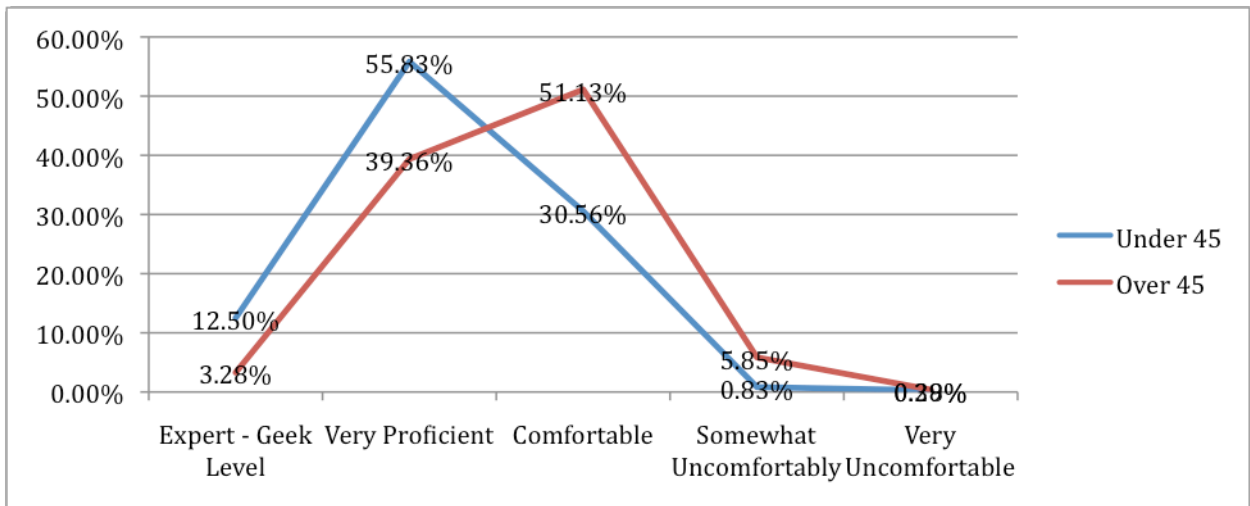# 21 -50 Sides Per Year

Under 45/Over 45 Comparison

As noted by the chart below, the pattern in terms of comfort and sides appears to be fairly consistent for each performance level.

11 -20 Sides Per Year

Under 45/Over 45 Comparison

When we get to 11 – 20 sides per year we begin to see more agents are less comfortable regarding technology. In the chart below we see that 51.27% of the "over 45" group fall into the "Very Uncomfortable" to "Comfortable" categories compared to only 31.39% in the "under 45" group.
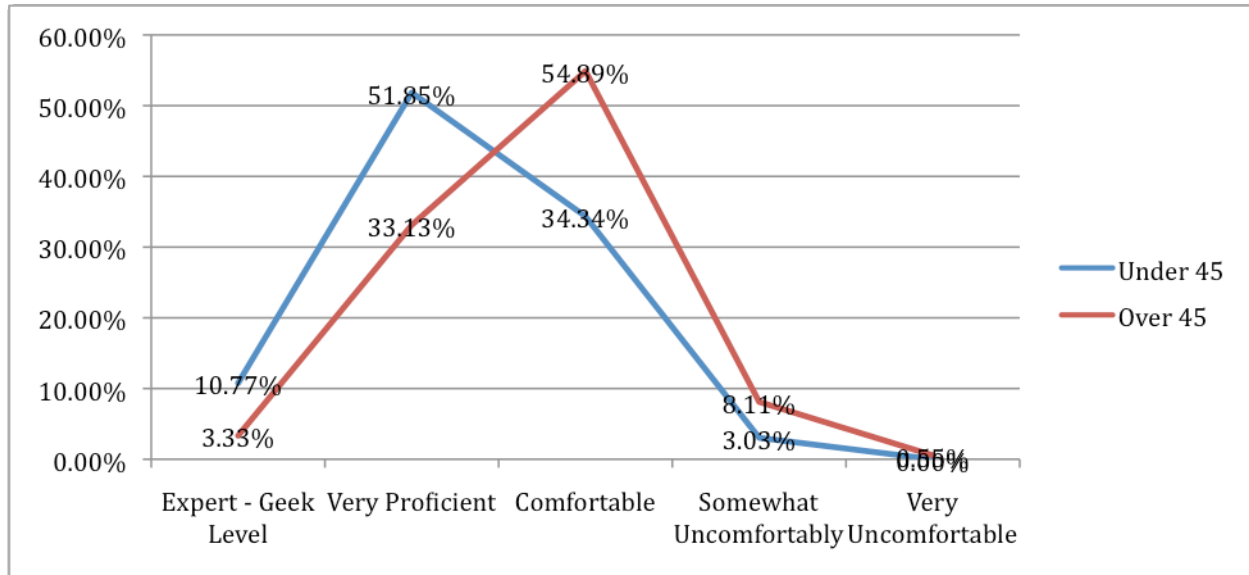
5 -10 Sides Per Year

Under 45/Over 45 Comparison

The pattern of the 2 groups remains quite consistent with the key difference being the overall rise of tech discomfort in the lower performing groups.

<5 Sides Per Year

Under 45/Over 45 Comparison

In our lowest performing group of respondents over 12%of the over 45 group reported they were "Somewhat" or "Very Uncomfortable" with technology compared to less than 1% of the under 45 group.
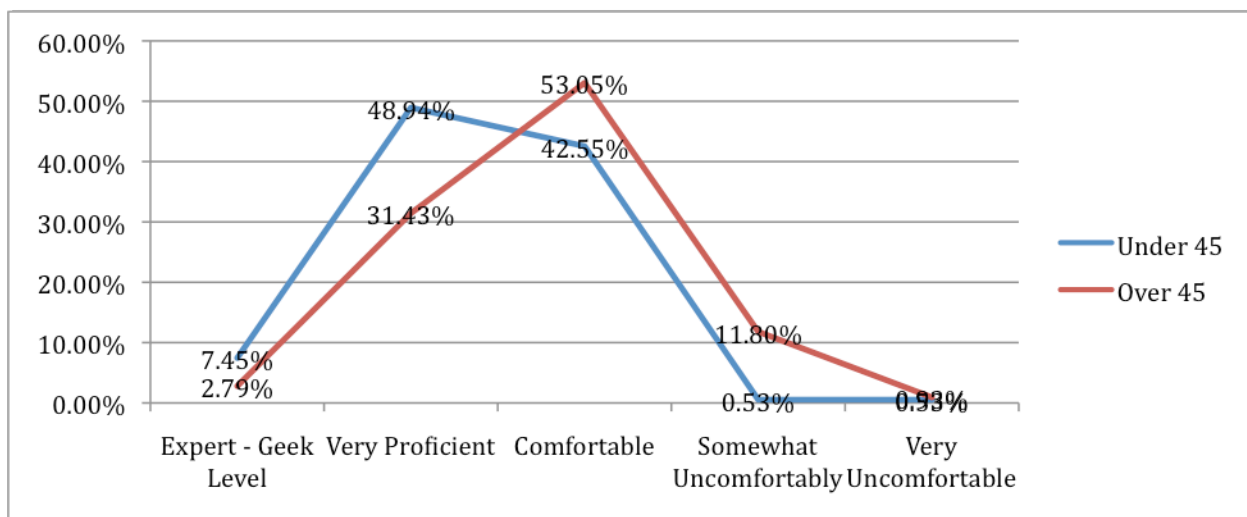
Conclusions

After analyzing all respondents aged under 45 years old and those 45 years and older in terms of their technology comfort and overall performance, it appears from the data in the survey, that the largest number of high performing agents are those that are also highly proficient with PC and Internet technology. It is interesting to note, however, that there are high performers in the over 45 group, doing 50+ sides a year that say they are not comfortable with technology. We think of seasoned pros with great referral networks built up over years of doing business. High touch and great service are likely still making these real estate professionals successful but we would expect the percentage of people able to sustain high levels of business without technology comfort and proficiency will decline as we move forward and technology advances even further. This will be an interesting trend to watch in our future surveys.

In the over 45 group, the data suggests that technology is actually more closely aligned to higher performance than with the younger group as evidenced by the fact that technology comfort goes up consistently as sales performance does.   It appears to be more of a direct relationship and seems to validate that older professionals with experience combined with technology prowess are pulling away from their peers in terms of performance. In the younger group it does not correlate as directly and may simply be due to the fact that there is less of a difference overall in the group when it comes to comfort with PC and Internet technology.

Technology is an important tool for those doing a high number of transaction sides but it clearly is not a panacea as many in the groups doing fewer than 5 sides consider themselves comfortable or even highly proficient with technology. Unfortunately feeling competent doesn't necessary mean these people use technology efficiently in their business or that this comfort results directly in business. For the 45 and younger set, however, we can safely say that technology self esteem does not appear to be an issue. Only 1% says they are "Somewhat" or "Very Uncomfortable" with technology.

Surprisingly, the gap is not that huge in this area with the 45 and older crowd. Approximately 91% of the respondents in the older group say they are at least "Comfortable" with PC and Internet technology. Our industry has always been perceived as being slow adopters in technology and perhaps because of the higher average age of real estate practitioners, we might expect a higher number saying they are still not comfortable with technology. But, this is not the case and that is certainly a good thing given the lower average age of buyers and sellers and their desire for technology use during the real estate transaction.

About WAV Group

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 industry 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 many independent studies including:

- The 2009 Transaction Management Adoption Study
- MLS Consumer Website Effectiveness Study
- Broker Website Effectiveness Study
- New Options For MLS Data Use
- Real Estate Brokerage Technology – An Industry Needing Backbone
- Real Estate Technology – Keys For Adoption
- WAV Group 2011 MLS Technology Survey – Executive Summary

….and many others.   To see a complete list of our reports or download go to:

http://waves.wavgroup.com/reports/

For more information or to register to receive report releases and newsletters please contact Mike Audet at mike@wavgroup.com.

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

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