



# WAV GROUP

MLS Consumer Website  
Effectiveness Study

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## Study Overview

WAV Group conducted a comprehensive study of MLS consumer websites. For many years there has been an on-going debate about whether MLS consumer websites are supportive of REALTORS® or competitive with them. The WAV Group MLS Consumer Website Effectiveness Study sought to provide a broader perspective on the issue which included not only an industry-centric perspective, but also the views of consumers – the end users of MLS Consumer Websites. The ultimate goal of the study is to help MLSs around the country access broader and more well-informed data about the real benefits and potential pitfalls of MLS consumer websites before activating or reactivating theirs.

In order to provide a well-rounded view into the potential of MLS consumer websites, WAV Group examined the issue from three perspectives.

1. The study first examined the traffic being generated by HAR.com versus other leading real estate websites. WAV Group looked not only at the search engine rankings in the Houston market, but compared it to other leading real estate markets around the country to see if top search engine rankings differed with the addition of a MLS consumer website. The study found that MLS consumer websites, when marketed correctly, can provide significant traffic and top search engine rankings. HAR.com actually placed first on the search engine rankings in the Houston market giving every HAR REALTOR® member significant exposure for their listings.
2. Next, WAV Group talked to brokers in the Houston market. With one exception brokers are extremely pleased with the results they have experienced with the HAR.com MLS public website to date. They believe it has provided them with targeted leads and has helped drive real estate sales. They also believe that by pooling their resources into one listing portal they have been able to save significantly on their web marketing efforts. HAR.com has allowed them to enhance other marketing programs which they normally would not be able to afford.
3. Third and most importantly, the study set out to provide a sorely missing perspective in the industry discussion about MLS public websites – THE CONSUMER. Since WAV Group partners have served in executive roles at world class consumer-focused companies like Fisher-Price®, Microsoft® and others, we felt it important to bring the consumer perspective to the table. We believe the real estate industry needs to significantly improve its efforts to understand and meet the needs of the home buyer and seller. This study helps to highlight that the perspectives of the industry can be significantly different than the consumer view.

## The Consumer View

Real estate consumers in Houston strongly believe MLS consumer websites are a very valuable tool which helps them identify and buy homes more efficiently. Respondents to a consumer survey distributed to registered users of HAR.com confirmed that the MLS is in a unique and trusted position to support consumers in their property search efforts. They appreciate the access to listing data. It also confirmed that consumers give all of the REALTORS® in the area “credit” for participating in the program, especially when they provided timely responses to property inquiries.

## Report Findings

This report provides conclusive evidence that a MLS consumer website is one of the most valuable tools an MLS can offer its members. The MLS can leverage its technical expertise to allow its members to compete effectively against even the most well funded listing portals on the Internet today.

An MLS working on behalf of its members can win back search engine rankings, consumer traffic and provide thousands of targeted leads to its members. Research with consumers strongly supports an affinity to using MLS property search websites ahead of other property search alternatives. The MLS is uniquely qualified to create a local listings portal because consumers trust the MLS to deliver comprehensive and up to date information more than any other listing portal.

WAV Group recognizes that HAR.com is very well-established and ahead of the curve with their MLS consumer website. We also recognize that consumer perspectives about MLS public websites across the United States may not be identical to Houston consumers. We do believe, however, that the consumer and broker insights gathered will be helpful to MLS organizations who are evaluating and shaping their own MLS consumer website efforts.

## About HAR.com

HAR.com is the Houston Association of REALTORS® public website and the subject used to complete the WAV Group MLS Consumer Website Effectiveness Study. HAR.com is believed to be among the most heavily used MLS property search website by consumers in the United States. Overall the site received 4.3 million user sessions from 1,000,037 unique visitors in January 2008 and nearly 1.2 billion hits. Visitors were on HAR.com for over 38 million minutes looking at listings 12.6 million times.

HAR.com receives between 750,000 and 1.2 million unique real estate consumers every month. A unique visitor is a website visitor who is only counted one time on any given 24 hour day. On average they were over 130,000 visitors to the site each day. Each visitor views 21 detailed listing pages on average. In total, they viewed almost 87,000,000 pages on the site and spent nearly 9 minutes on the site each visit. There are very few real estate sites in the United States that can claim this phenomenal traffic, number of page views, or duration of visit.

In 2006, HAR.com generated 566,000 thousand leads for their REALTOR® members – an average of nearly 22 leads per member per year. If a MLS subscriber was going to purchase leads from a third party they would generally cost between \$1 and \$10. The 22 leads delivered by HAR.com equates to \$22 - \$220 in value. One leading broker in the Houston market received approximately 160,000 leads in one year. Using the same estimate of lead cost, this broker received the equivalent of \$160,000 - \$1,600,000 in value.

HAR provides a monthly “STAR” report (*Strategic Traffic Activity Report*) to each broker and agent to demonstrate how many leads were generated for their listings from HAR.com. These reports are sent to agents and brokers to highlight the total number of leads that have been received by month, quarter, year and the life of the program.

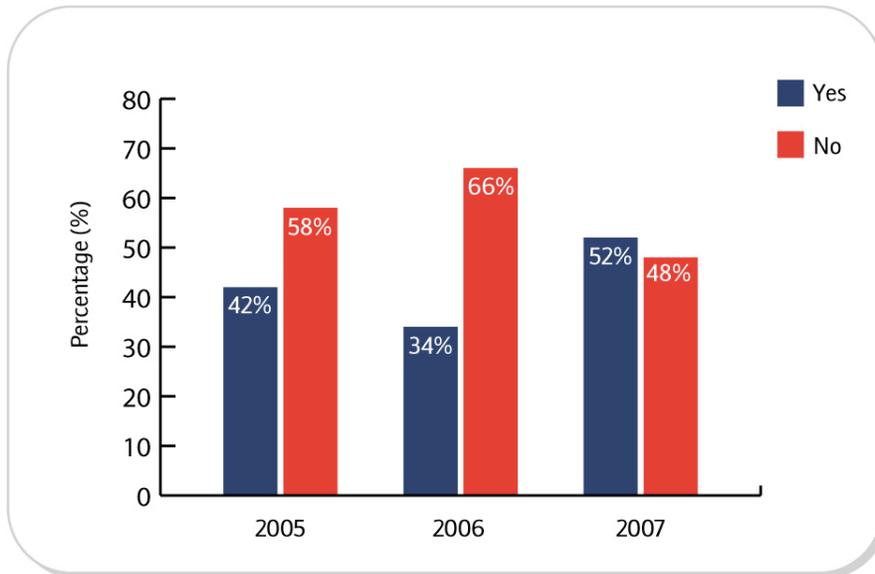
The Houston Association of REALTORS® actively promotes their consumer website in conjunction with their REALTOR® brand image campaign. They feature their REALTOR® campaign on billboards, television ads and print ads and then include the HAR.com logo on all of the ads. They spend an average of approximately \$1 million per year to improve the consumer’s perception of REALTORS® while driving traffic to their site and to achieve the #1 search engine ranking for important keywords like “Houston Real Estate”.

## MLS Consumer Websites – The REALTOR® Perspective

Before we examine consumer perspectives on MLS consumer websites, let's take a look at the current industry perceptions about MLS Consumer websites. According to Realtown.com's listing of MLS public websites <http://publiclistings.realtown.com> there are approximately 350 MLS Consumer Websites in the United States today which is only about 40% of the total number of MLSs.

While support of MLS Consumer Websites has increased over time, nearly 50% of REALTORS® still do not believe the MLS should offer a consumer website according to the 2007 MLS Technology Survey conducted by NAR's Center for REALTOR® Technology.

### Should the MLS provide a public website to display MLS listings?



*National Association of REALTORS® Center for REALTOR® Technology 2005, 2006 and 2007 MLS Technology Survey.*

There are several reasons why some REALTORS® do not believe the MLS should offer a website to consumers. They believe the website is competitive to their own and that the service somehow diminishes their value as a REALTOR®.

## REALTOR Concern #1: Competitive with REALTOR® Websites

44% of respondents to the MLS Technology survey believe that MLS consumer websites are competitive with their own websites. Since all websites are vying for search engine ranking positions, there is some truth to the argument. There are several other factors which need to be considered, however.

### Counterpoint: Effectively fight third party listing aggregators for web traffic

The argument that MLS consumer websites are competitive to agent websites does not recognize that the largest competitors for search engine placement are actually third party listing aggregators. Many of these companies are well-financed by venture capital groups who recognize that company valuation comes from traffic. They spend millions of dollars annually to secure top search engine spots and pull traffic away from individual REALTOR® websites.

Third party listing aggregators are aggressively soliciting MLSs to get all of the listings sent to their site en masse. Why? Because they recognize MLS content is the highest quality listing data available. They also recognize that listing content is what increases the “stickiness” of a website and the ability to increase traffic. Once the traffic increases at these sites, the ability to sell advertising for featured listings, banner ads and other advertising formats increases. Without property listings, these companies will fail.

Brokers in the Houston area understand that HAR.com is helping them to gain exposure to their listings because it has such terrific search engine rankings. Brokers interviewed believe HAR.com has saved them money in both website development and website marketing costs. They believe they do not need to be as concerned about their own websites because HAR.com is driving the web traffic and customers they desire.

MLS Consumer websites provide each of their members with a very cost-effective method for increasing consumer traffic. With the power of the full MLS database and the belief by consumers that MLS websites are more complete and more objective than other sites, agents have a unique and powerful tool to generate traffic and leads to their listings.

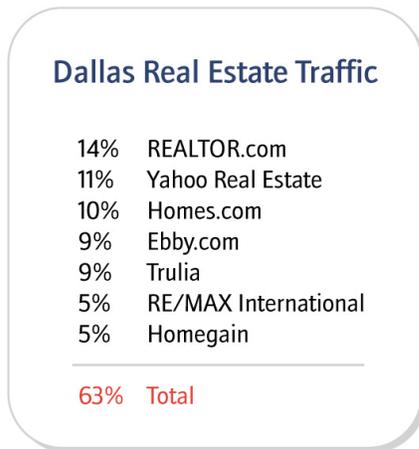
When MLS consumer websites are promoted effectively they can create dramatic traffic increases and effectively place their member’s listings on search engines at NO ADDITIONAL COST. HAR.com, for example, is ranked #1 in their market on all leading keywords. Interestingly, according to brokers in the Houston area, they do not invest heavily in third party lead generation sources or even real estate magazines as much as other markets because they believe HAR.com will provide better exposure for their listings.

## Counterpoint: Improve Search Engine Rankings and Exposure for Listings

Let's examine a few markets around the country to see which companies are achieving the best search engine rankings:

According to ComScore, Media Metrix, a leading traffic measuring organization, in most cities the top placed real estate websites are from third parties, NOT from individual agents or even national real estate companies. The exception is RE/MAX International which has a very highly trafficked corporate website.

In January 2008, in Dallas, for example, no individual REALTOR® has achieved a top five ranking. Realtor.com, Yahoo! Real Estate and Homes.com are ranked in the top three. While all of these sites are valuable marketing tools for REALTORS®, especially for those with corporate relationships with these firms, they also can be expensive to participate in.



In Chicago, leading real estate firms have gained some significant search engine placement, but they are still being outdone by REALTOR.com, Yahoo! Real Estate and AOL Real Estate. Again, no individual REALTOR® has been successful in gaining top rankings.

### Chicago Real Estate Traffic

17%	Yahoo Real Estate
15%	REALTOR.com
8%	AOL Real Estate
6%	Trulia
5%	C21 International
5%	Homes.com
4%	RE/MAX International
4%	ZipRealty
3%	Homegain

67% Total

Houston is a completely different story, however. HAR.com has gained nearly 60% of the traffic in this region. None of the third party listing aggregators' have been successful at generating the traffic being generated by HAR.com. In fact, in no market that WAV Group examined does a third party listing aggregator even come close to the level of traffic being generated by HAR.com. While HAR.com has been aggressively promoting their site for several years, a brand new MLS consumer website can gain this status over time by using effective search engine optimization techniques, community-based blogging and effective offline promotion. A MLS consumer website, even a brand new one would provide REALTORS® with a chance to gain significant traffic to their listings. By sending consumers to the MLS consumer website, they are, in effect reducing the value of the third party listing aggregators over time and providing an opportunity to leverage the collective strengths of the membership to reduce online marketing costs.

Other MLS consumer websites like Metrolist MLS and others have also achieved similar levels of success in their local marketplaces.

### Houston Real Estate Traffic

57%	HAR.com
12%	Yahoo Real Estate
7%	REALTOR.com

76% Total

## Counterpoint: HAR.com – Competes effectively even on the national level

HAR.com has been extremely successful at generating traffic to its site. So much so, that it registers as one of the largest real estate websites nationally. According to ALEXA, another leading search engine traffic ranking company, there are only a few national websites which achieve higher traffic than HAR.com. HAR.com is ranked 16387 for traffic in the United States. REALTOR.com is very strong at 1726, but the costs to advertise are also very high there. Zillow is 3582, but they have raised over \$80mm in capital to achieve that ranking.

While these rankings are interesting, it is important to point out that each search engine ranking organization will provide a slightly different view of the national landscape. It is more important to measure the effectiveness of search engine ratings at the local level since real estate is truly a local business. While it is very difficult to achieve the types of search engine ratings HAR.com has achieved on the national level, it is much easier to achieve search engine dominance at the local level if members of a MLS pool their resources and their listings into one trusted website.

### Alexa Rankings\*

Realtor.com	1726
Zillow.com	3582
Trulia.com	7534
ReMax.com	8928
Homes.com	14609
Oodle.com	14766
Point2.com	15263
Move.com	15698
<b>HAR.com</b>	<b>16387</b>
Homegain.com	19693
Century 21.com	26338
Coldwell Banker	30248
Keller Williams.com	32389
Prudential.com	63653

*\* three months ending January, 2008*

## REALTOR concern #2: MLS Consumer Websites Level the Playing Field

Many REALTORS® believe that a MLS consumer website “levels the playing field”. Those that are good at Internet marketing believe the MLS is taking away one of their key advantages. Those companies that have national marketing deals in place with listing aggregators also believe the MLS consumer website is leveling the playing field.

### Counterpoint: The Benefit of the “Shopping Mall” Effect

There certainly are REALTORS® who are excellent at creating traffic for their own website and they argue that the MLS is taking away one of their key marketing advantages. What this argument does not take into account is what WAV Group calls the “shopping mall effect”. The reason that stores cluster together in malls is because they know they will be able to collectively attract more shoppers than if they place themselves individually. The same holds true for listings. If a consumer can go to one “shopping mall” to see all of the homes they might be interested in purchasing it is much more attractive than having to go to several small “plazas” to receive the same information.

While IDX feeds also provide the full set of listings, consumers, when given the choice would rather go to a MLS website because they believe it is more comprehensive and up to date than any other site. Relocation consumers are particularly interested in MLS Consumer Websites because they are not yet familiar with the local real estate community. It is a great place for them to get to know the agents which are focused on the type of real estate they are interested in.

While REALTORS® certainly can buy traffic for their own website and some are very successful at gaining terrific search engine placement, it is expensive to maintain positions. MLS Consumer websites, conversely, are usually free to their members. MLSs can pool the resources of their membership to create a meaningful presence on the web.

The traffic statistics, shown earlier in the study demonstrate that few REALTORS® have been successful at achieving top search engine positions consistently. The MLS has a much better chance of achieving and maintaining top search engine positions.

When calculating search engine rankings, search engines like Google “crawl” the Internet looking for new and relevant content. Because MLS consumer websites have so much content which is constantly changing the search engines are very “friendly” to them. This allows MLS consumer websites to have a much better chance of securing “organic” traffic or traffic which has not been purchased. This aggregation of traffic provides REALTORS® with an opportunity to gain exposure for their listings and for their brand and take advantage of all of the listings in their market area to do so.

Clearly agents and brokers would prefer to have their personal websites rule the local property search landscape – but that is not happening today. Larger, more focused corporate interests are winning this battle. The MLS is the sword that agents and brokers can use to combat this trend. If non-REALTOR® sites continue to dominate, agents and brokers will be compelled to shift advertising dollars to gain consumer exposure. By enabling the MLS website collectively, agents and brokers insure themselves against this potential cost and maintain a first person relationship with the consumer.

### REALTOR concern #3: Decreases value of a REALTOR®

Some REALTORS® also believe MLS consumer websites decrease the value of a REALTOR®. Just over ¼ of the respondents to NAR's 2007 MLS Technology survey believe MLS public websites reduce the value of a REALTOR®. They believe if the consumer has access to all of the listings their value as a real estate professional will be diminished.

#### Counterpoint: Consumers do not agree!

The WAV Group MLS Consumer Website research conducted with registered users of HAR.com does not confirm these findings. Consumers who responded to the survey do not agree that MLS consumer websites decrease the value of a REALTOR®. They felt just the opposite. HAR.com was a true asset and they are appreciative it is being provided to them by REALTORS®. They feel it is a great tool that actually makes the process of working with a REALTOR® more productive and fulfilling.

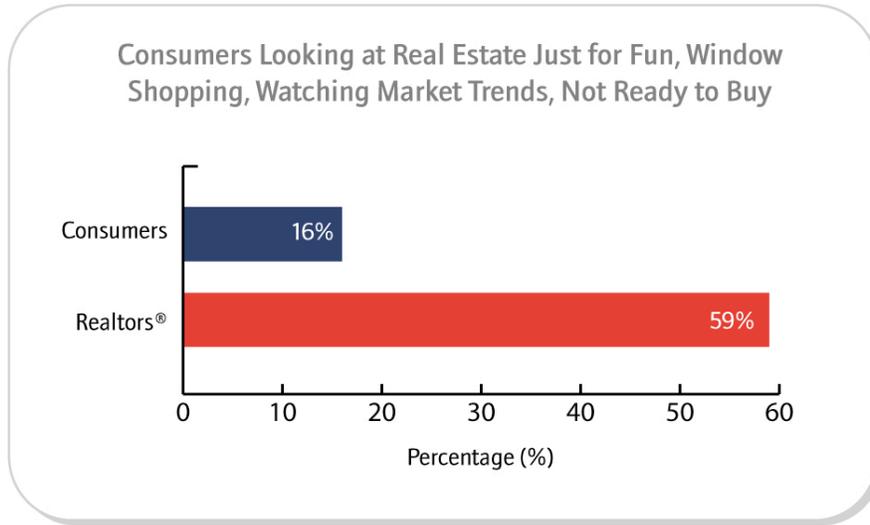
In fact, 91.7% of the respondents appreciated the opportunity to narrow down the search before they worked with a REALTOR®. Nearly 30% also said HAR.com actually helped them find the agent they ultimately worked with.

### REALTOR concern #4: Limited Leads from MLS Consumer Websites

Another commonly held view is that REALTORS® do not get many leads from MLS Consumer Websites. This perspective may be driven partially by the fact that 67% of MLS consumer websites do not provide lead generation to their members according to the 2007 MLS Technology Survey from NAR.

Nearly 65% of the respondents to the NAR 2007 MLS Technology survey said they get 5 leads or less per year from the MLS public website. Over 80% of respondents to the NAR study said the leads were from “looky loos” or those not interested in buying for at least 12 months.

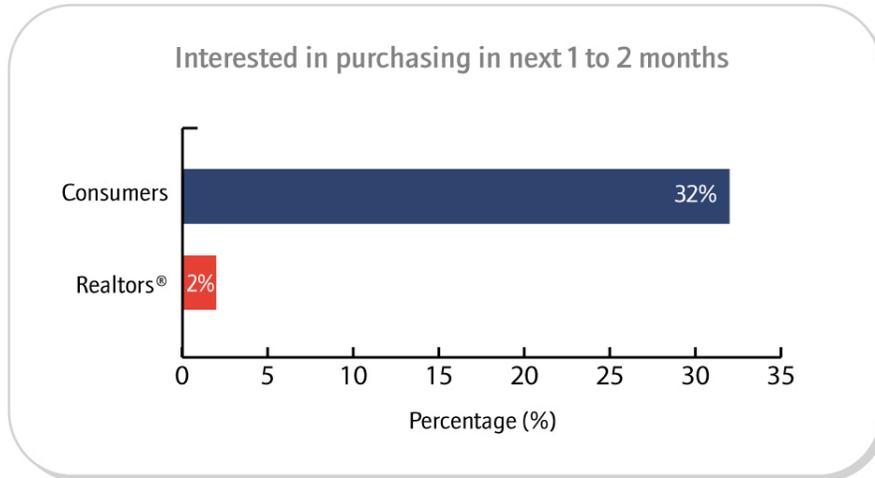
## Counterpoint: Not as many “looky loos” as REALTORS® think



*Realtors measured by NAR 2007 MLS Technology Survey, Consumers measured by WAV Group MLS Consumer Website Effectiveness Survey.*

In the WAV Group MLS Consumer Website Effectiveness Survey which was distributed to registered users of HAR.com, just 16% of consumers categorize themselves as “window shoppers”. Interestingly, REALTORS® believe that more than double the amount of leads they receive from public websites are window shopping or just watching market trends and not ready to buy yet. This discrepancy suggests that agents and brokers are underestimating the percentage of consumers visiting MLS Consumer Websites who are serious about purchasing property.

## Counterpoint: Consumers are actively engaged in real estate process



*Realtors measured by NAR 2007 MLS Technology Survey, Consumers measured by WAV Group MLS Consumer Website Effectiveness Survey.*

Consumers have a very different perspective about the urgency of their interest in purchasing a home as well. REALTORS® said that less than 3% of the leads they receive from MLS public websites are actively pursuing the purchase of a home in the next 1 to 2 months. Conversely, nearly 1/3 of consumers say they are looking to purchase a home within the next two months. This data would suggest that the industry may be underestimating the short-term revenue potential of leads from MLS consumer websites.

Further, the WAV Group consumer research reveals that nearly 65% of consumers are looking to buy a home within the next 6 months. This data suggests again that REALTORS® are underestimating the quality of the leads being generated from MLS Consumer Websites. MLS Consumer Websites may be one of the most productive lead sources available today and they cost the MLS subscriber nothing! In a time when REALTORS® are trying to tighten their belts to ride out the market downturn, it seems like MLS consumer websites are a very viable tool to pursue.

## MLS Consumer Websites – Houston REALTOR® Perspective

Large brokers with the exception of one in the Houston market are extremely pleased with the results they have achieved with HAR.com. They support the concept of a MLS Consumer Website for many reasons.

### Consumers expect and even require MLS public websites

Steve Barnes, President and COO, Houston Region, Coldwell-Banker United, REALTORS® believes that markets that do not offer a MLS public website are not serving the needs of their consumers.

Steve says:

*“Consumers today expect to be able to find a MLS public website which will provide them access to all of the listings in the market. This is especially critical for clients who are new to the area. They have not built a relationship with a real estate company and they need to become educated on the market. I strongly believe that if an MLS does not offer a public website they are doing their community a disservice. Why should we expect a consumer to search multiple websites when we as REALTORS® can provide them one comprehensive site to satisfy their needs?”*

### Free Leads

Brokers in the Houston area really appreciate the number of leads they receive free from HAR.com every year.

By providing quality tools to the consumer that enable them to save their search, get listing notifications, and save listings to favorites, HAR.com has encouraged consumers to register for the site in a non-intrusive way. This goes far beyond a link to the agent or broker website, and HAR.com consumers like it. This program has helped create nearly 600,000 leads for REALTORS® in Houston.

Through the STAR reports (*Strategic Traffic Advisory Report*) developed by HAR.com, each broker has the ability to track the total number of leads their organization has received. This allows a broker to truly understand and quantify the value of leads being received by HAR.com.

Richard A. Smith, Broker/Owner of Coldwell Banker United, REALTORS® says:

*“Coldwell Banker United, REALTORS® very much appreciates the benefit HAR.com provides REALTORS® in the greater Houston area. Nearly 100,000 consumers have been referred to our company website from Har.com. It’s one of the best things out there.”*

## Connect to New Clients - Increase Sales

Some REALTORS® in the Houston area, especially those who focus on the relocation market are extremely pleased with the site's ability to connect them with potential new clients. They believe HAR.com has created a venue for clients to find qualified REALTORS® in a way no other site can do.

Through the STAR reports developed by HAR.com, each broker has the ability to track the total number of leads their organization has received by the month, quarter, year to date and for the entire life of the program.

Here is an excerpt from an actual email received from Dan McCarver at Prudential Gary Greene:

*"HAR.com is the most effective business and marketing tool we have today. This week I sold a home to a family transferring from Tokyo. They contacted me via a lead through HAR.com. I was recently following up with a buyer who closed last year. We had "met" on HAR.com. They traveled here from London and purchased a home in one day. It was a first for me! They referred three co-workers who also purchased.*

*HAR.com is a win/win for all REALTORS® whether a listing or a buyer's agent. It is the highest quality site of its kind I have seen. I receive sales calls from "national" real estate sites often – my standard answer is that we already benefit from the best website in the country."*

## Advertising Exposure

In addition to generating leads and sales, brokers also believe HAR.com significantly increases advertising exposure for their listings. Consumers share this view as well. When asked "What was the most effective website for selling your home?", recent home sellers who responded to the WAV Group MLS Consumer Website Effectiveness Survey overwhelmingly said HAR.com was the best site for selling their home.

Mark Willis, CEO of Keller Williams Realty believes that HAR.com has been a terrific advertising source for exposing his company's listings to consumers.

He said:

*"Keller Williams Realty has always considered HAR.com a true member asset. I frequently check the HAR Star Report and it shows that our listings in the Houston MLS have been viewed 23 million times. This gives new meaning to the concept of customer reach. We know that HAR.com is truly benefiting our agents and brokers."*

## Well-Educated Consumers

Lorraine Abercrombie of Greenwood King Properties in Houston likes HAR.com because she believes it helps make the process of selling more real estate more efficient.

Lorraine says:

*“By the time our clients get to us they are well-educated about the market. They know what neighborhoods they would like to focus us. Some have even attended open houses to get a better feel of their needs. We see a great advantage in providing every convenience we can for consumers. HAR.com is a great tool which helps us accomplish that goal.”*

## Frees up budget for productive technology Investment

Robin Mueck of Heritage Texas Properties likes HAR.com because she believes it has reduced her need for investment to manage online leads. She says:

*“We are careful to measure conversion rates of all of our lead sources. While we have found that the conversion rate of leads from our own website is higher than HAR.com, the quantity of leads being generated for our listings from the MLS public website has helped us secure new listings and sell more real estate.*

*By leveraging the lead generation activities of HAR.com, we have reduced our need to invest in generating Internet leads. HAR.com has helped us free up monies which have allowed us to streamline our relocation business and other aspects of our business which demonstrate a much higher return on investment.”*

## Online Promotion Cost-Savings

Some of the most successful luxury brokers in the Houston area believe that HAR.com has actually helped them save money on their web promotional efforts. Since they are local brands, it is very difficult, if not impossible for them to spend aggressively enough online to surpass the search engine rankings of the national portals. One of the brokers also said she has spent less money on her website and on lead generation efforts because HAR.com has been so successful at driving her business.

Martha Turner, Owner of Martha Turner Properties, a leading luxury broker in Houston said:

*“Because of the foresight of HAR.com and the success we as REALTORS® in the Houston have realized from it, we did not feel the need to spend thousands of dollars to upgrade our own website. We have realized great success in traffic and business from HAR.com without needing to invest on our own. It has freed up marketing dollars to support other local programs that are effective for us.”*

## Consumer Acceptance/Appreciation

Brokers and agents in the Houston area also believe their clients appreciate HAR.com. Many agents send their clients to HAR.com to help narrow down their search and make the process of buying and selling property a lot more efficient.

The brokers interviewed for the study agree that HAR.com is a benefit for their clients and potential clients.

Monica Duff of John Daugherty Real Estate said:

*“Our company prioritizes programs which are good for the buyer and good for the seller. Consumers today are looking for as much information as they can get. The more information we can give the consumer, the merrier. HAR.com is a great tool to satisfy the consumer’s insatiable need to learn more about Houston Real Estate.”*

## Competitive Edge against Third Party Lead Aggregation Sites

While every broker in Houston would love to see all of the real estate traffic go to their own website, they are realistic in their expectations about how much budget it takes to achieve the #1 position on search engines.

Steve Barnes, Coldwell Banker United, REALTORS® says:

*“Let’s be honest. I would love to have all of the Houston real estate traffic going to my site, but that is just not realistic. Our firm has the #1 market share in the Houston market according to RISMedia and REALTOR.com. We have 77 offices across Texas and the Southeast so we are a significant player in our region. Even with the size and scope of our business we have found it impossible to compete effectively against the well-funded third party listing aggregation sites. I am thrilled that we have HAR.com to fight the search engine ranking battle for us. We can pool our REALTOR® community resources and collectively claim the #1 position on Google and Yahoo! . It’s a win/win for every REALTOR® in the Houston area.”*

## Houston Broker Concerns

One of the leading brokerages in Houston, Prudential Gary Greene, REALTORS® does not believe in the benefits of HAR.com, however. Mark Woodruff of Prudential Gary Greene, Realtors® said that HAR.com was originally intended to give consumers more information before the advent of IDX feeds which could be placed on individual REALTOR®’s websites. Prior to IDX, HAR.com served an important role, but once the full database of active listings could be placed on each broker’s website, Mark believes HAR.com outlived its usefulness.

While Mark understands that HAR.com has been successful in gaining significant traffic, he believes it competes directly with his company's efforts to secure traffic to their website. He believes his firm realizes less benefit from Prudential's national Yahoo! Real Estate partnership because HAR.com effectively competes against Yahoo! for top search engine rankings.

Mark Woodruff says:

*“Even though the aggressive marketing of HAR.com makes it challenging, broker practitioners in the Houston marketplace are trying to compete with their trade association and drive consumers to their own sites. Several of these companies have also created relationships with the major national search engines such as our exclusive Yahoo! Relationship through Prudential Real Estate.”*

## MLS Consumer Websites - Consumer Perspective

In October, 2007 WAV Group fielded a survey to consumers registered on the HAR.com website. The online survey received 403 responses from consumers. The participants in the study registered on the site within the past 6 months of the distribution of the survey.

There were three key goals of the consumer survey:

1. Develop a profile of current users of consumer-facing HAR.com website
2. Understand the role and importance of HAR.com website in the real estate sales process;
3. Evaluate the role of HAR.com website vs. broker websites, 3<sup>rd</sup> party lead generation sites and national aggregation sites.

While consumer perspectives from around the country may vary, the results of the study were enlightening, nonetheless. In many cases consumer attitudes about MLS public websites completely countered REALTOR®'s perspectives about MLS Consumer websites. Consumers really appreciate MLS consumer websites. They believe they are a valuable tool which enhances their ability to work effectively with REALTORS®. They do not believe MLS public websites are competitive to REALTOR® websites. They seem them as a complementary tool at their disposal. The attached report outlines the perspective of the consumer, and how MLS consumer websites can actually improve the relationship with their REALTOR®.

The study also touches on consumer's viewing habits of third party listing aggregation sites. While some of these are gaining traction, none are nearly as popular as the HAR.com website. This is not only because the site has been well-established. The study reveals there are particular reasons consumers prefer a MLS consumer website over other listing aggregation sites. REALTOR® members to the MLS are in a unique position to take advantage of these unique attributes which drive traffic to their listings.

## MLS Consumer Websites – Best site for property search, bar none

Consumers believe MLS consumer websites are extremely valuable tools in their property search. They believe MLS websites are uniquely qualified to satisfy their data needs. Consumers believe MLS websites have more complete and up to date information than any other website on the Internet. They love the flexibility of the property search and appreciate the ability to be able to reach out to listing agents directly.

The loyalty consumers exhibit toward MLS consumer websites provides REALTORS® with a unique opportunity to capture consumer traffic better than other third party listing aggregators. Consumers trust the accuracy and objectivity of this site more than others.

## Important roles in real estate sales process

Survey respondents believe the MLS consumer website is a great place for them to do research so they can be better informed when they work with their REALTOR®. They believe the MLS consumer website can make the process more efficient and productive for both parties. MLS consumer websites help viewers narrow down their search to specific neighborhoods and specific homes. Interestingly, some respondents who are actively relocating to Houston said HAR.com actually helped convince them to move to Houston.

While many consumers use the MLS consumer website throughout the real estate sales process, some access BOTH the MLS website as well as a REALTOR® website so that they can be sure they are fully informed of the market.

## Appreciate ability to connect with REALTOR®; sometimes get disappointed

Respondents appreciate the ability to request more information from a REALTOR® about a listing found on the HAR.com site. Once they find a specific listing they are interested in, they like the ability to connect directly with the listing agent. Nearly 50% have requested more information from a REALTOR® about a listing. Some would like an easy way to send the listing they like directly to their own agent.

Some opponents to MLS consumer websites complain they never get any meaningful leads from this source. The WAV Group survey revealed that while many consumers do reach out, they were very disappointed because the agent never responded to them. They were interested in the property and the listing agent never followed up. Just like any lead source, if a REALTOR<sup>®</sup> does not respond on a timely basis to lead inquiries they will be lost forever and will not generate any additional business. It may be that some REALTORS<sup>®</sup> are in fact receiving targeted leads from a MLS consumer website, but are just not following up on them properly.

### Helps consumers find REALTORS<sup>®</sup>

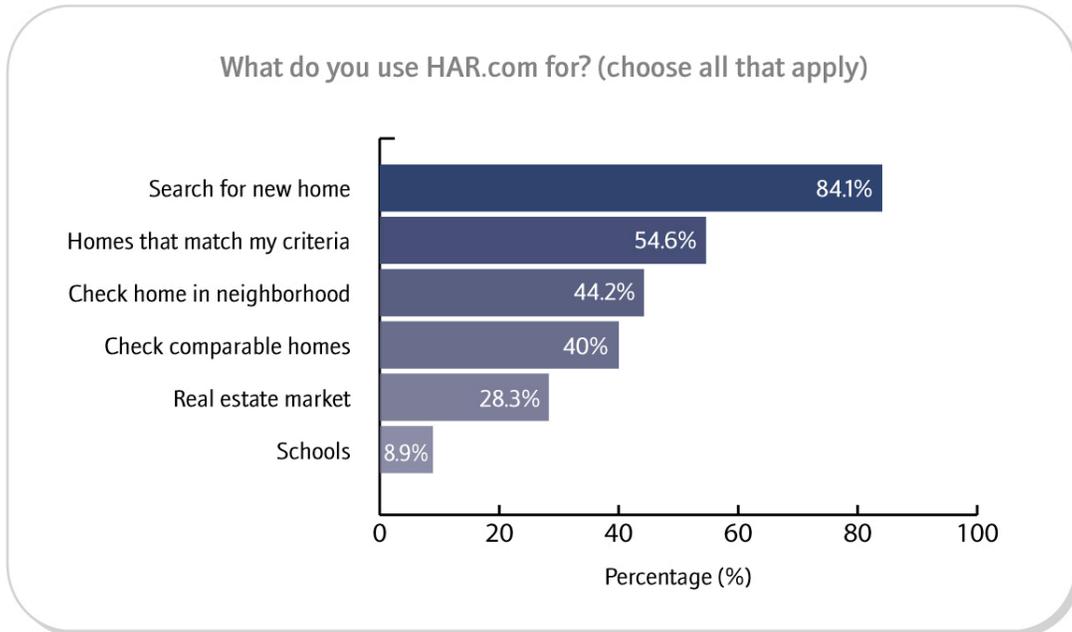
Nearly 30% of respondents to the consumer survey said the MLS Consumer website helped them identify the REALTOR<sup>®</sup> they ultimately worked with to purchase a home.

### Not Competitive with REALTOR<sup>®</sup> websites

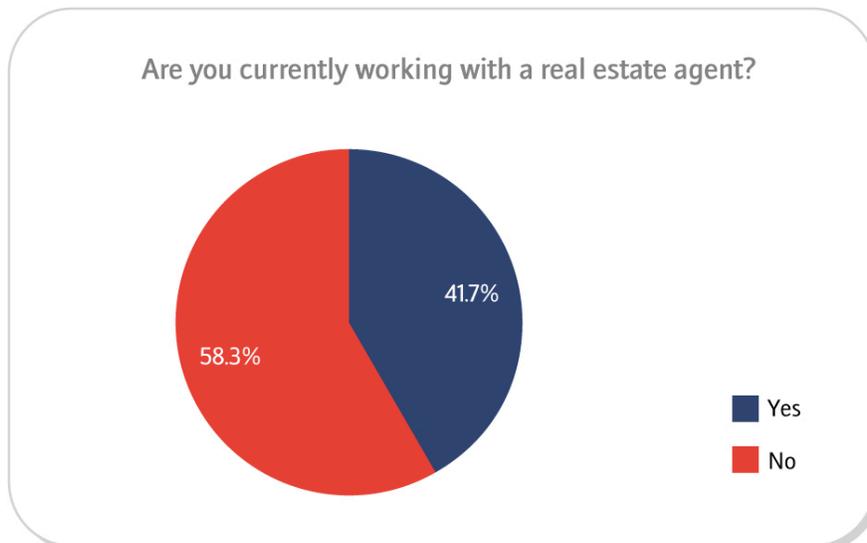
Many of the consumers who responded to the survey do not view the MLS consumer website as competitive to a REALTOR<sup>®</sup> website. They see them more as competition to third party listing aggregation sites and newspaper ads. They believe that the MLS consumer website has a unique advantage because the listings are more complete and up to date. REALTORS<sup>®</sup> have an opportunity to create leads for their listings on a site which consumers feel good about if they support the concept of MLS consumer websites.

## Survey Results

Here are the details of the WAV Group MLS Consumer Website survey:

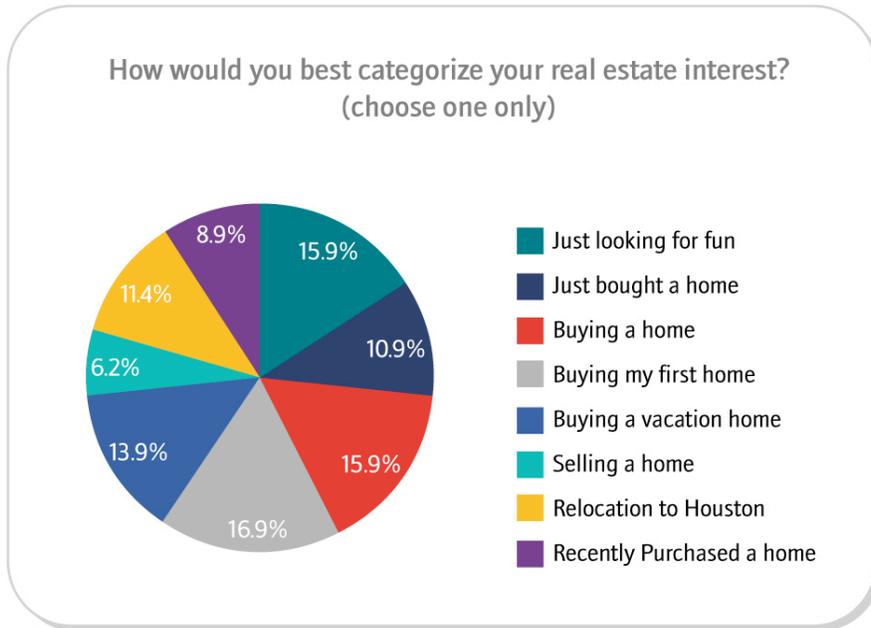


84.1% of respondents say the main reason they visit HAR.com is to search for a new home or review homes which match a search criteria they have set up. A smaller percentage of respondents use the site to check prices on homes in their neighborhood or to check prices they believe are comparable to their own. A much smaller percentage go to the site to learn more about the Houston real estate market and a very small percentage go to the site to learn about schools in the area.

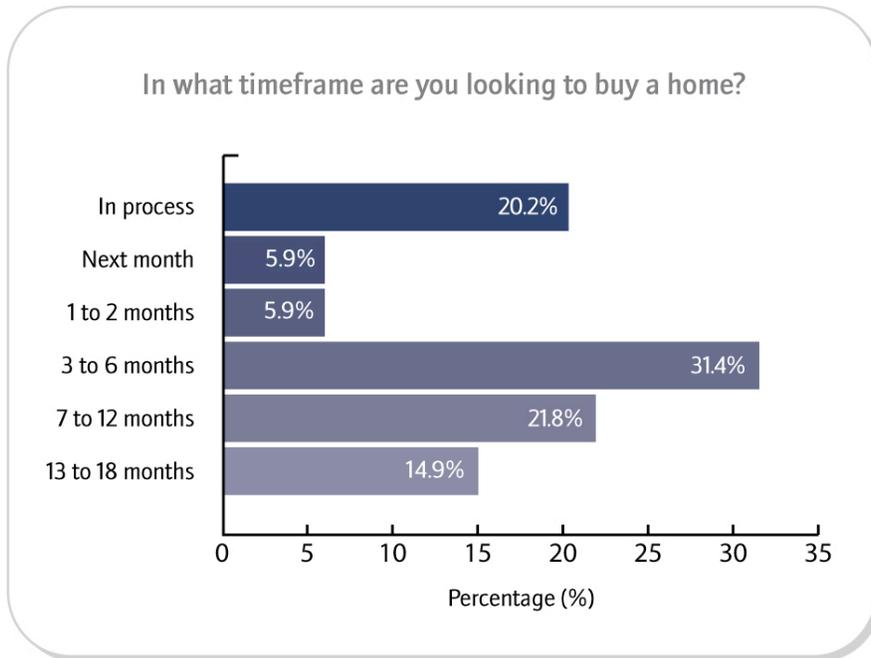


41.7% of respondents are already working with a real estate agent. Approximately 20% of the consumers who visit HAR.com were sent there by their agent. Agents in Houston value HAR.com as a great tool to help their clients better understand the market and ultimately purchase a home.

### Actively Engaged in Real Estate Sales Process

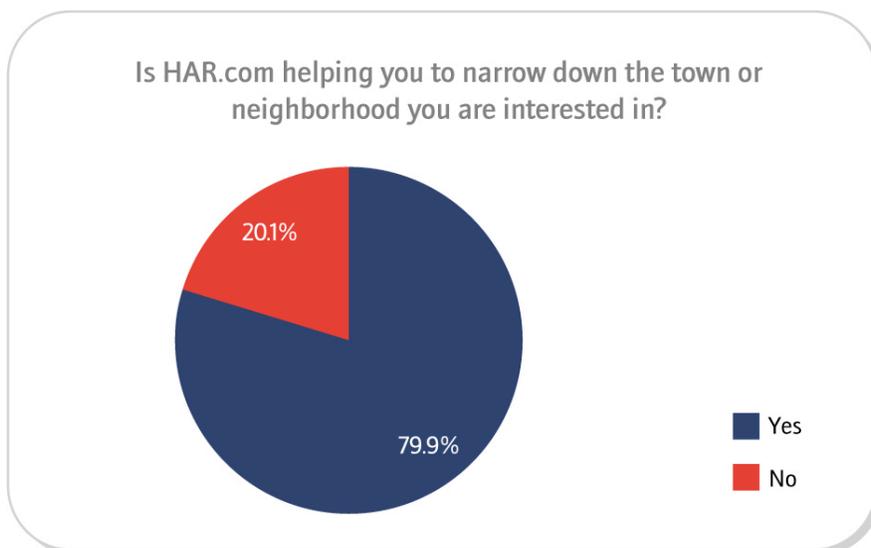


Conventional wisdom suggests that visitors to MLS consumer websites are generally “looky loos”, not interested in buying real estate any time soon, if at all. Respondents to the study dispel this myth. While 15.9% are in fact “just looking for fun”, 84.1% are actively engaged in a real estate activity. 58.1% are either buying a home, first home, vacation home or relocating to Houston. 19.8% just purchased a home or purchased a home in the past few months. 6.2% are selling a home.



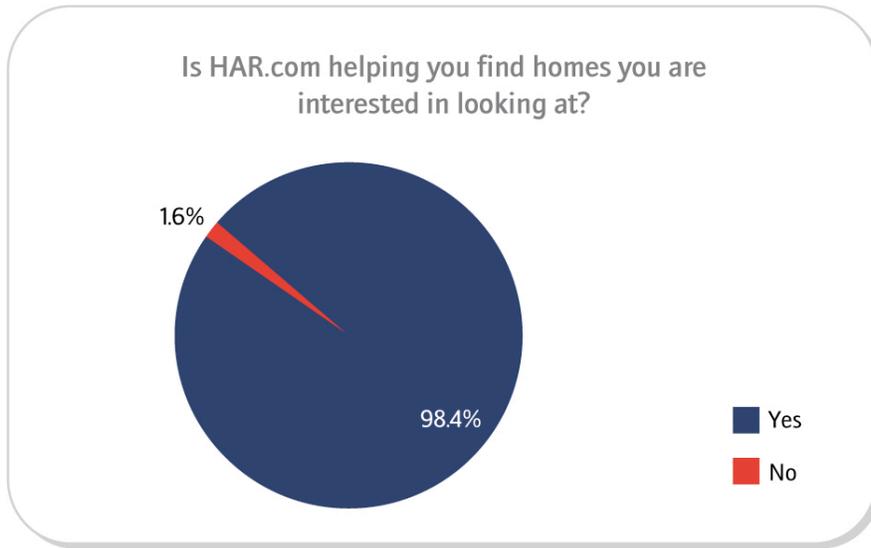
According to the 2007 MLS Technology survey from NAR, REALTORS® believe that approximately 60% of the leads they receive are from consumers who are either just looking at homes for fun or are watching the market. Conversely 63.4% of consumers in the survey say they are either in the process of buying a home currently or will be purchasing in a maximum time of 3 to 6 months. This data suggests that consumers using MLS public websites are more active and more targeted leads than the real estate industry may believe.

### MLS Consumer Website - Helping to focus home search



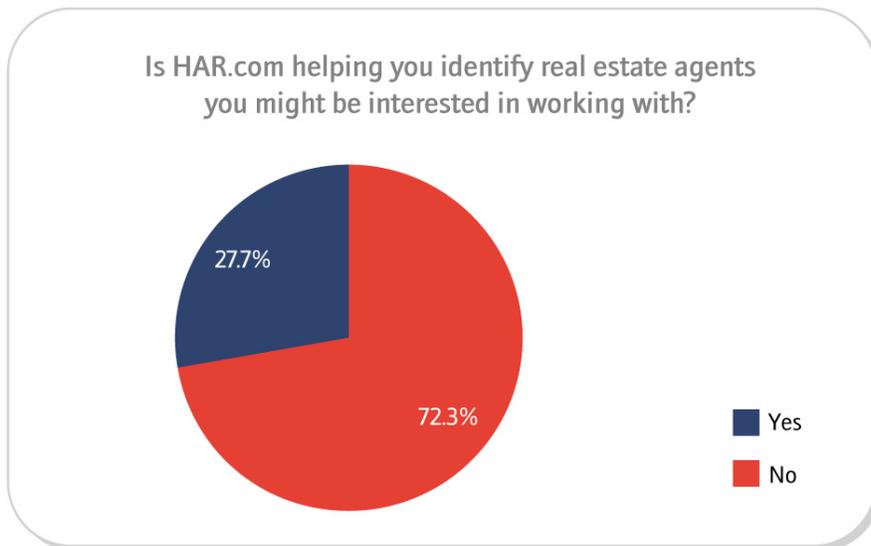
Nearly 80% of respondents said the MLS Consumer website is helping them narrow down the town or neighborhood they are interested in. They use the power of the Internet to examine a broad array of options which would not be possible to do in person.

Consumers appreciate the ability to narrow their search before they engage with a REALTOR® and even while they are working with a REALTOR®.



Importantly nearly 100% of respondents said the MLS consumer website is helping them identify homes they are interested at looking at.

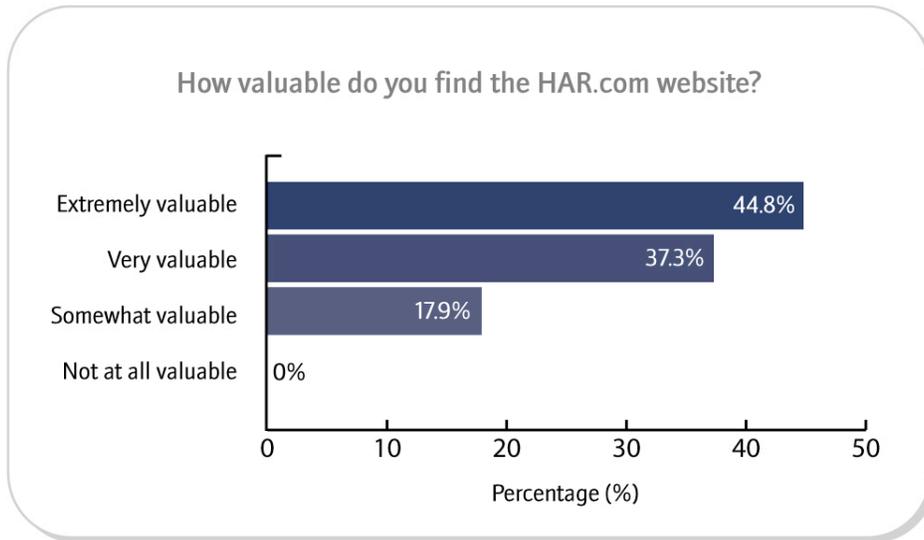
### Help consumers find real estate agents



Nearly 1/3 of the respondents who said they are interested in buying a home said HAR.com helped them identify real estate agents they might be interested in working with. They said they found them when they continually ran across a listing agent in the neighborhood they were looking at or the price range they were interested in. MLS Consumer Websites certainly provide strong advertising exposure for active listing agents.

## Consumer Acceptance of MLS public websites

### Extremely Valuable Service



82.1% of respondents said they find the HAR.com website to be very or extremely valuable. None said it was not at all valuable.

Here are some verbatim comments:

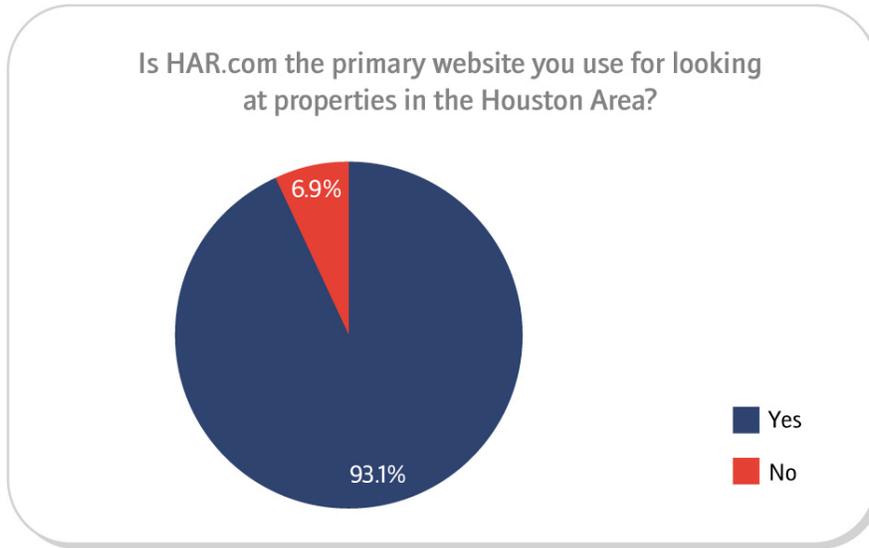
*“It is SOOOO easy to use and I LOVE the New Listing Finder and Automatic emails with new listings sent to me.”*

*“If my home ever sells, I need to move fast to get another house. With HAR.com, I can keep a current list of homes I’m interested in so when I need to make a move, I will have most of my leg work done and waiting for me, stored as my bookmarked listings on Har.com.”*

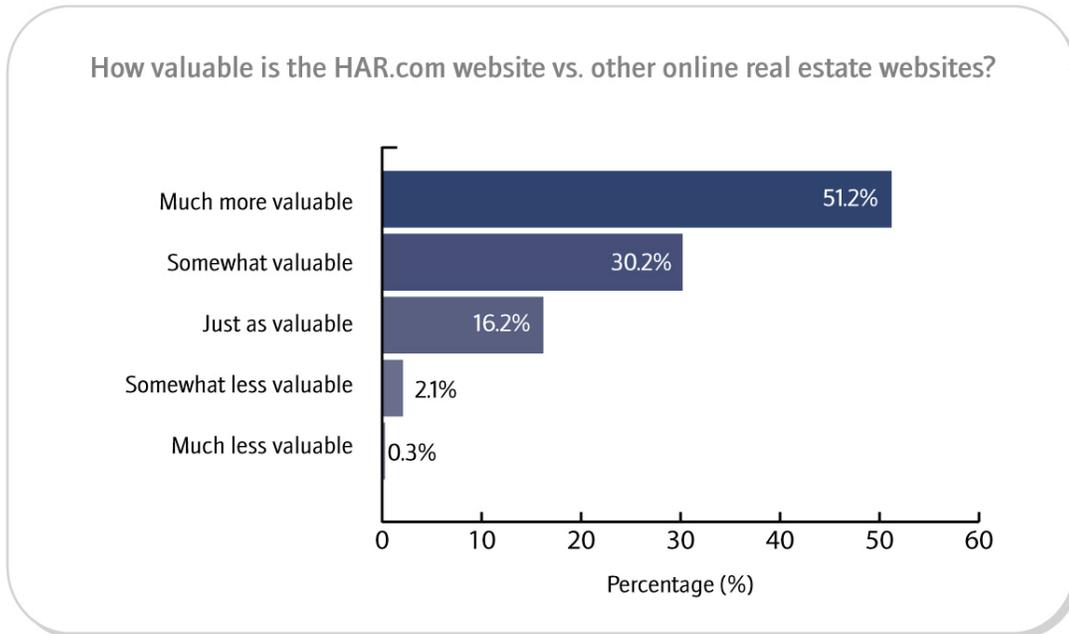
*“All the information it has including sold homes information is really useful. The only thing I would like to see on the website is sale prices of sold homes, which you currently don’t have.”*

*“It has helped me get an idea about the Houston market before I actually go to buy.”*

## Primary site being used for property search



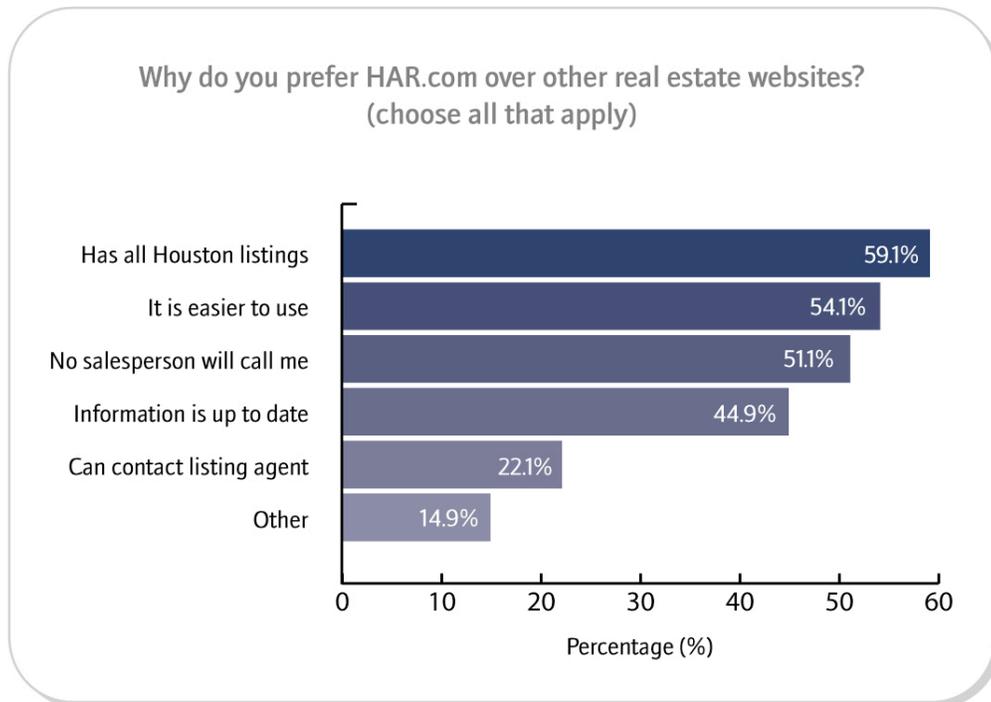
An overwhelming 93.1% of respondents said HAR.com is the primary website they use for looking at properties in the Houston area.



81.4% of respondents believe HAR.com is very somewhat or much more valuable than other online real estate websites. Only 2.4% believe it is somewhat or much less valuable than other online real estate websites.

One respondent said:

*“There is no other option that comes close to comparing.”*



When asked why they prefer the MLS consumer website over other sites, they believe MLS consumer websites have the most comprehensive and up to date listings in the area.

There are several reasons why consumers prefer it. Many survey respondents believe it is the most comprehensive and up to date property searches available.

*“I’ve tried YAHOO, forsalebyowner.com, buyowner.com, and the chronicle web site. HAR has every MLS listing. It’s easier to just go to HAR.com and get all the info in one spot instead of going to many different sites and still feeling like there are some gems you are missing. I LOVE the new feature where you can specify the lot size you want. That is a big issue for me as I have dogs and want a nice big yard for them.”*

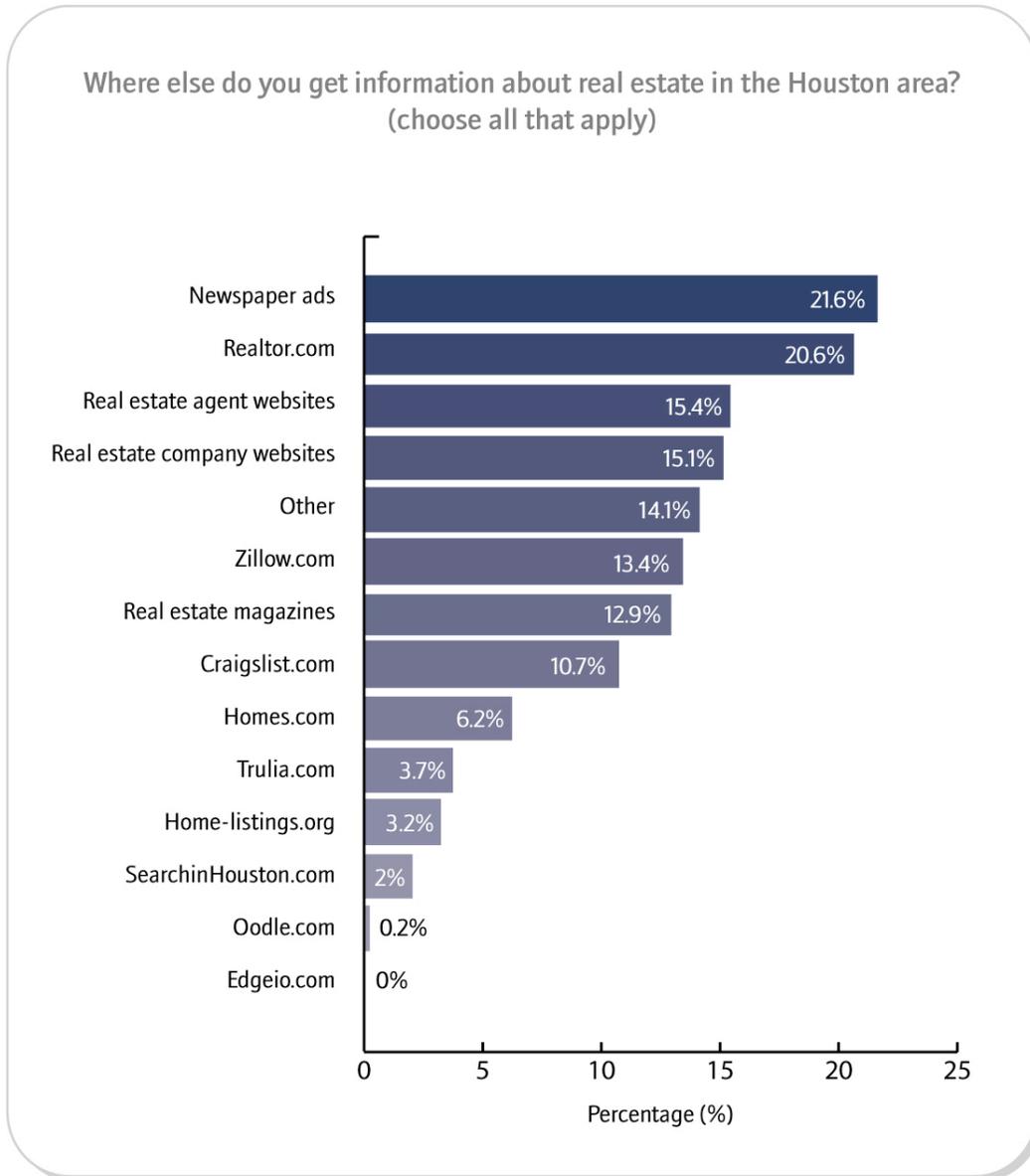
54.1% said the site was easy to use and they appreciated the usability of the MLS consumer website.

*“It (MLS Public Website) has a wide selection of homes and it’s up to date. It’s easy to see the maps, and to modify and save searches. The email alerts are what I use to decide which homes I want my agent to take me to see, since I am in the early stages of my search.”*

*“I just like it. It's easy to use and it's comprehensive. I like the layout and the way the photos are there and the ability to bookmark. I like the fact that the listing agent reviews their leads when the listing is bookmarked.”*

51.1% like it because they are not ready to work with a REALTOR® yet so they like the anonymity of a MLS consumer website.

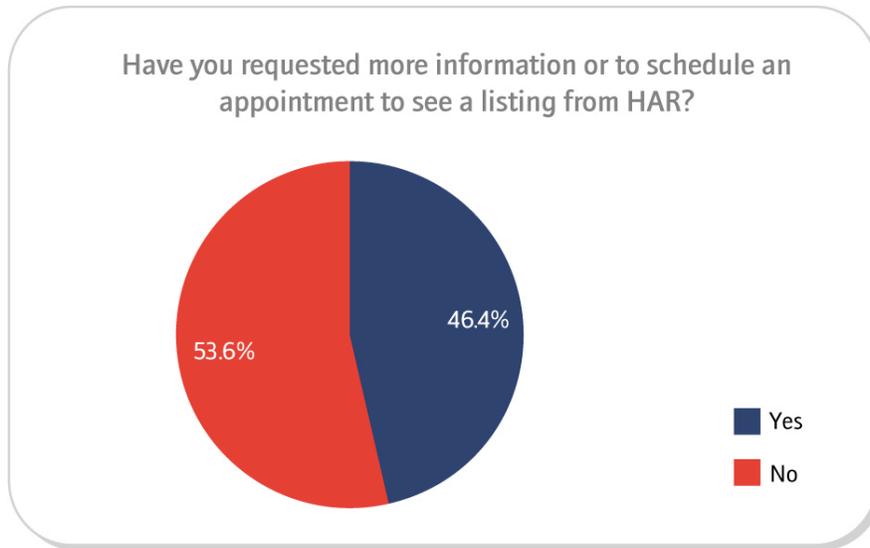
*“On other sites, the agents email you a lot even though you are just browsing. With HAR.com, it is up to me when I want the agent to contact me”.*



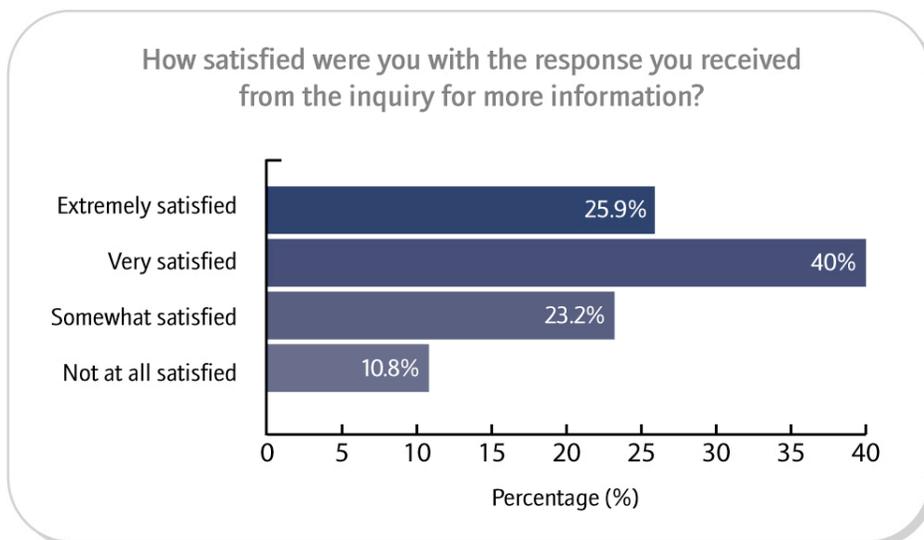
Respondents to the survey also go to other sources for property information. Newspaper ads, REALTOR.com, real estate agent and company websites are the most popular sources of real estate information in addition to HAR.com. Interestingly, the other third party listing aggregation sites other than Zillow receive very little mention. This may be due, in part to HAR.com's dominance on search engine rankings in the Houston market and may not be typical in every market.

According to the consumers who responded to the WAV Group MLS Consumer Website Effectiveness Survey, it appears agents would be best served to focus their attention on HAR.com if they are looking for a well-trafficked listing aggregation site to satisfy consumer needs.

### Consumers appreciate ability to contact agents



Almost half of the respondents have contacted a REALTOR® for more information or to schedule an appointment. Many registered users of HAR.com are actively in pursuit of real estate and they are thirsty for specific information about a home they are interested in. This direct connection to the consumer allows REALTORS® to find targeted and qualified parties interested in their listings. It also helps expose their brand to consumers who are looking for homes in their farm area or price range specialty. One respondent said that while she was looking for a luxury property she continually ran across one REALTOR® who seemed to have the same “taste” she had. She found a home she liked as well as an agent she liked by searching the HAR.com database.



2/3 of the respondents are either very or extremely satisfied with the response they received from their inquiry to a REALTOR® for more information.

Respondents said:

*“Contact was professional and timely. No one hassled me. In this day and age, that level of respect and professionalism is rare and deeply appreciated.”*

*“The agent met with me that day after work completely prepared and very informative; which put me at ease. I feel in over my head with this sometimes”.*

For some consumers HAR.com connected them with the agent they used to purchase a home as well as helping them find the one they wanted to buy.

*“I’m buying one of the homes I requested to see.”*

While many were satisfied with the response they receive, 1/3 of respondents were disappointed or even frustrated by the lack of responsiveness they received. Some agents immediately responded by saying “call your agent and have them set up an appointment”. While this may be an appropriate response for someone already working with an agent, approximately one half of the registered users are not yet working with an agent. Those agents that responded with this answer are missing opportunities to capture a potential new client.

Some respondents were concerned about a general lack of responsiveness. They are frustrated by the lack of timely or respectful responses they receive. Some agents may be getting interested leads from the MLS consumer website and then not following up appropriately.

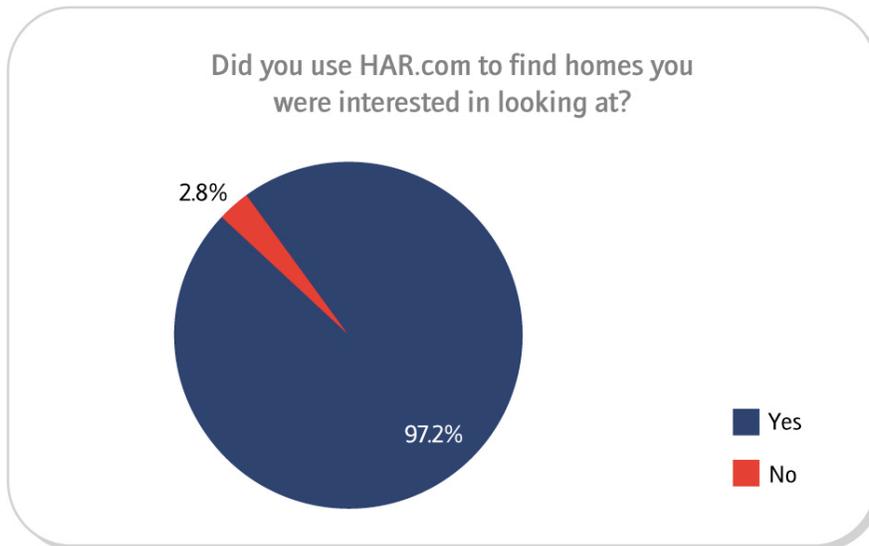
*“There are some agents that make themselves available and are easy to reach and return calls but there is an equal amount who do the exact opposite. They are very frustrating because you have to chase them and sometimes you may lose the house because of it.”*

*“It took too long for them to respond and they were really vague about the property and seemed to dodge my questions. I have very little time to put towards looking for a house and need someone to give me an accurate concise answer and not beat around the bush. So far the few agents I have found act little better than a used car salesman.”*

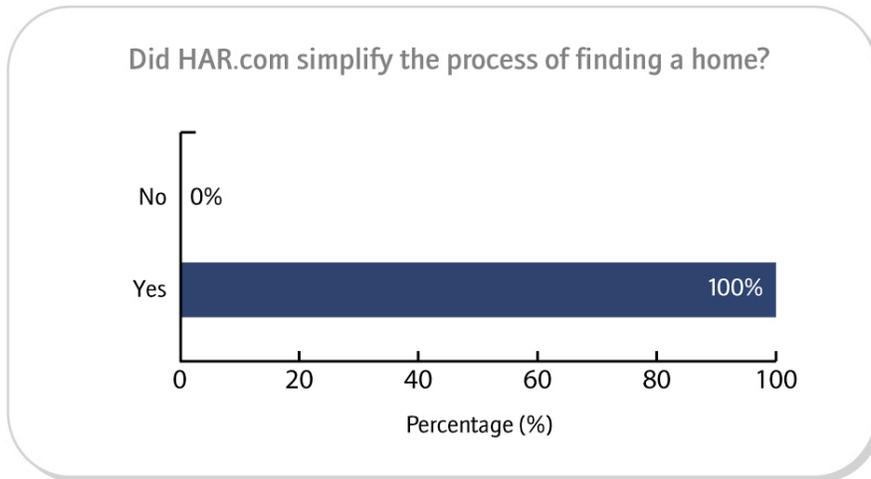
*“Some REALTORS® don’t get back to you. I find that sellers from forsalebyowner.com are better at returning calls.”*

## Recent Home Buyers

In the WAV Group MLS Consumer Effectiveness Survey, recent home buyers were asked a series of questions to find out how valuable HAR.com was in their complete home buying process. Respondents believe their participation in HAR.com was valuable in helping them make the process of find a home more efficient.



97.2% of respondents used HAR.com to find homes they were interested in looking at.



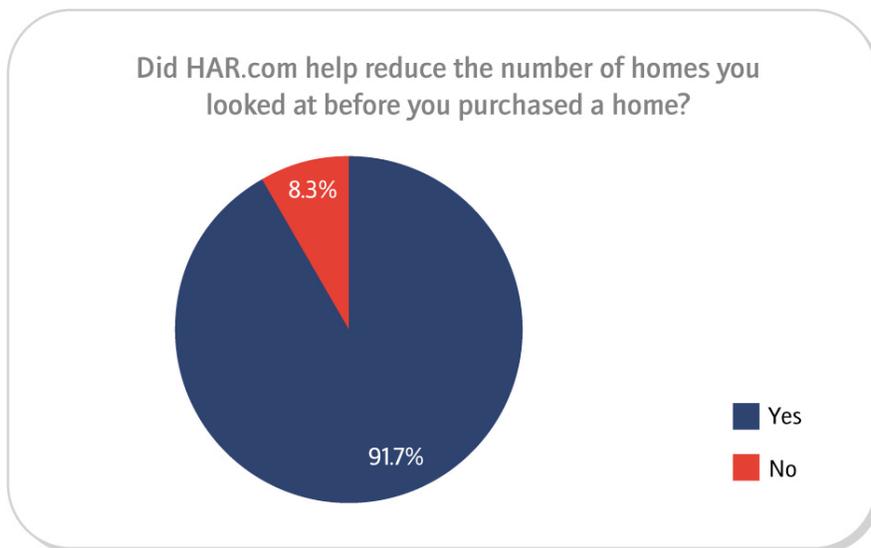
100% of respondents said HAR.com simplified the process of finding a home.

One respondent said:

*“It was very helpful to search the inventory myself before talking to my real estate agent-- I felt better informed.”*

Another respondent said:

*“HAR.com has the option for more pictures for viewing of the properties available for sale. Some other sites had only 3 or 4 pictures available. Time is valuable when you have to juggle packing, searching and working along with trying to buy a new home.”*



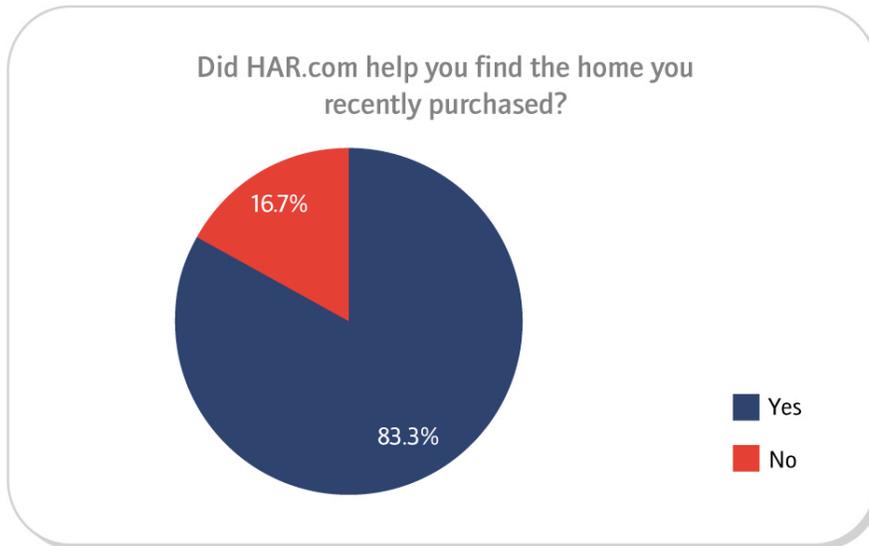
91.7% of respondents who recently purchased a home believe HAR.com helped reduced the number of homes they looked at before purchasing a home. They like the efficiency the site created for them in the real estate sales process.

One respondent said:

*“If you choose the right search criteria you can narrow down your choices from hundreds to just a hand full. I like the ability to bookmark my favorites and to see pictures of the properties. HAR.com makes it easy to compare properties. It saves time because you eliminate choices based on look or location before you even visit the property.”*

Another respondent said:

*“An easy way to find out what is available on the market without having to meet with an agent or drive all over town looking.”*

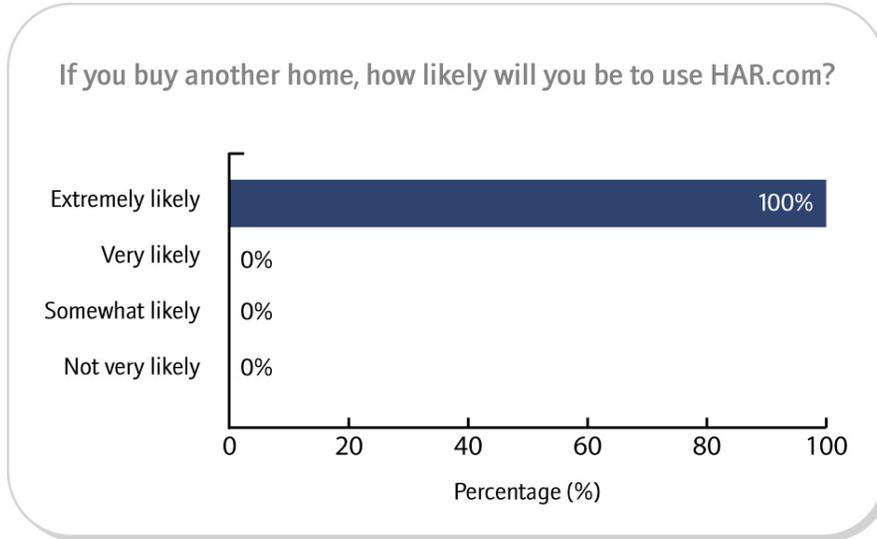


In fact, 83.3% of respondents believe the MLS consumer website actually helped them find the home they ultimately purchased.

One respondent said:

*“HAR.com helped me narrow down the area of town I wanted to look in and helped to eliminate houses from consideration and identify houses that were likely candidates. In fact, the house I bought was one I found on HAR.com. HAR.com also helped me to look at the Houston market remotely while living overseas and planning for relocation to Houston.”*

*“I bought 2 homes using a REALTOR® after finding them on HAR.com.”*



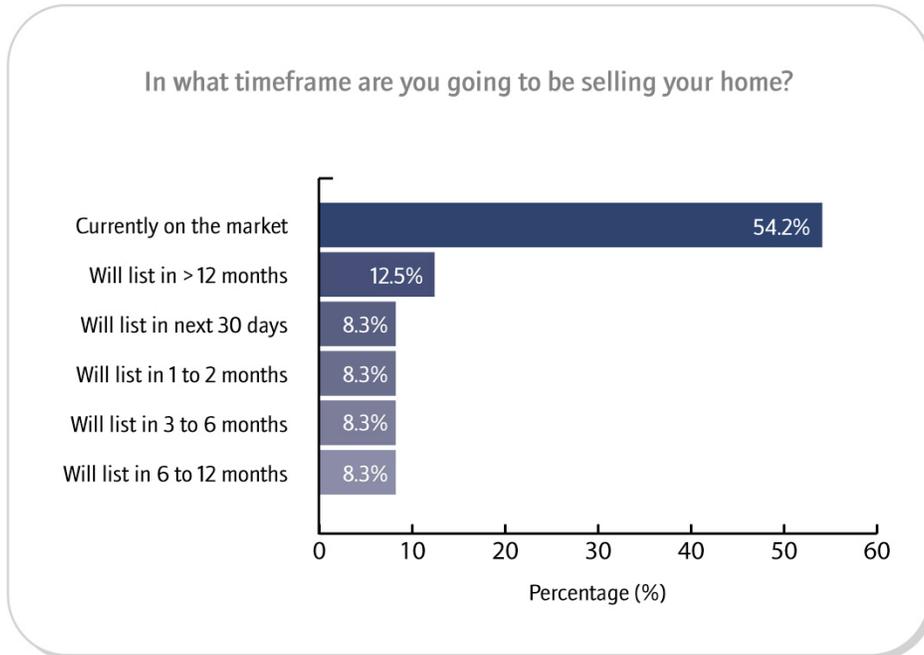
100% of the recent home buyers said they if they buy another home in the Houston area they will go to HAR.com to find their home.

Respondents said:

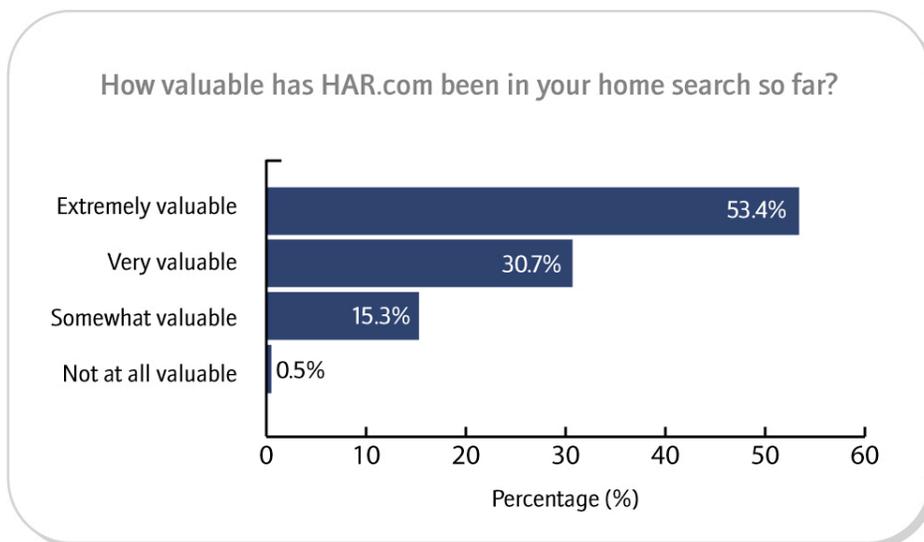
*“It was very easy to use. A large number of the homes we looked at had photos which were very helpful since we were out of state. Also the fact that the houses were grouped by location was sooo helpful so that we could look in areas we wanted.”*

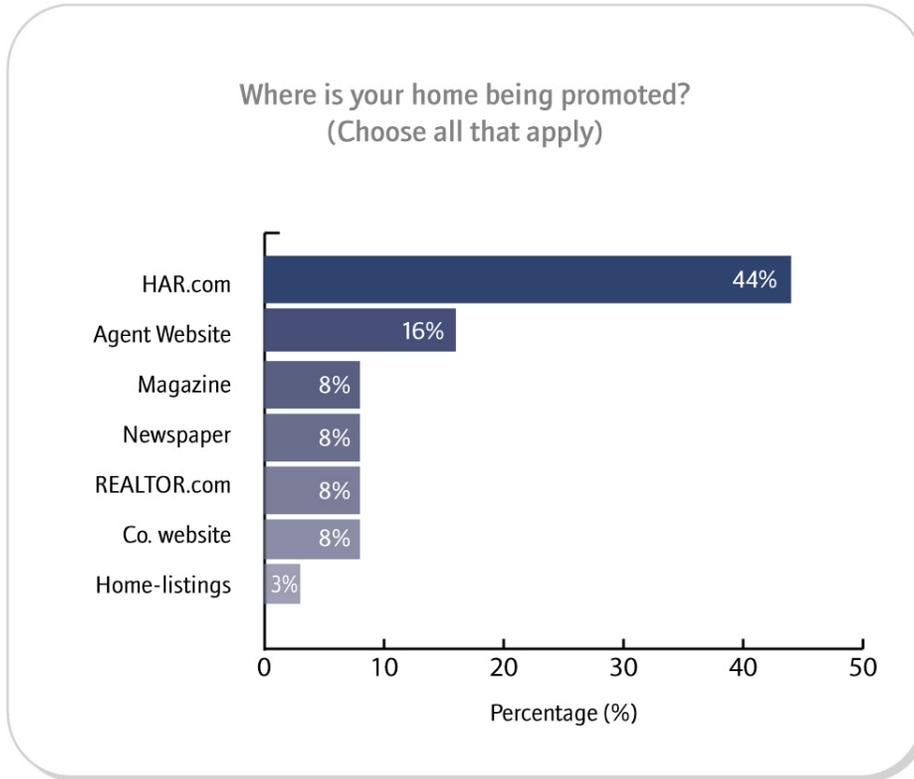
*“...found the home buying process very easy and fun with HAR.com. I am recommending my sister to use the website when she moves back to the Houston area.”*

## Home Sellers

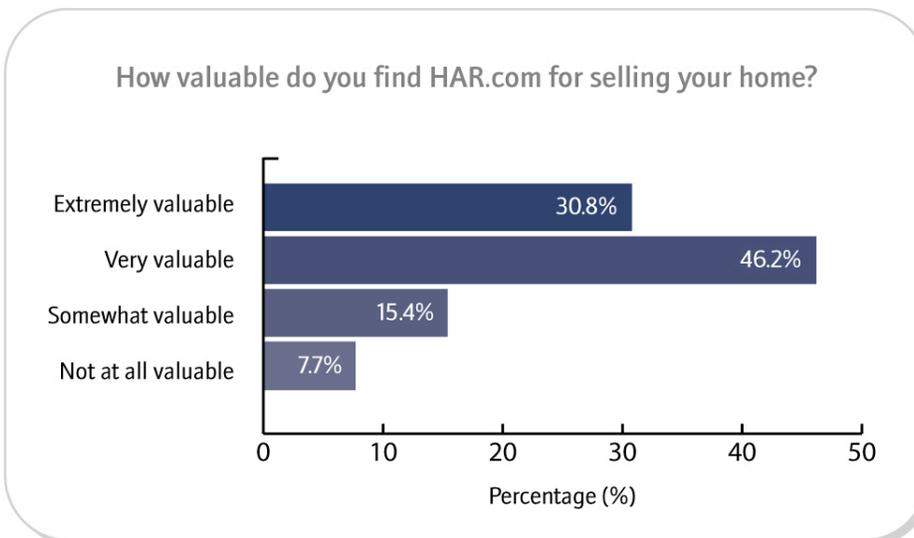


70.8% of home sellers on the site are either actively selling a home or will be listing their home in the next 1 to 2 months. They use the site to monitor activity in their neighborhood and price range. Some even go so far as to monitor price per square foot of homes they believe are comparable to their own. They watch price reductions and monitor how long comparable homes are on the market. They use it to stay in touch with the market.

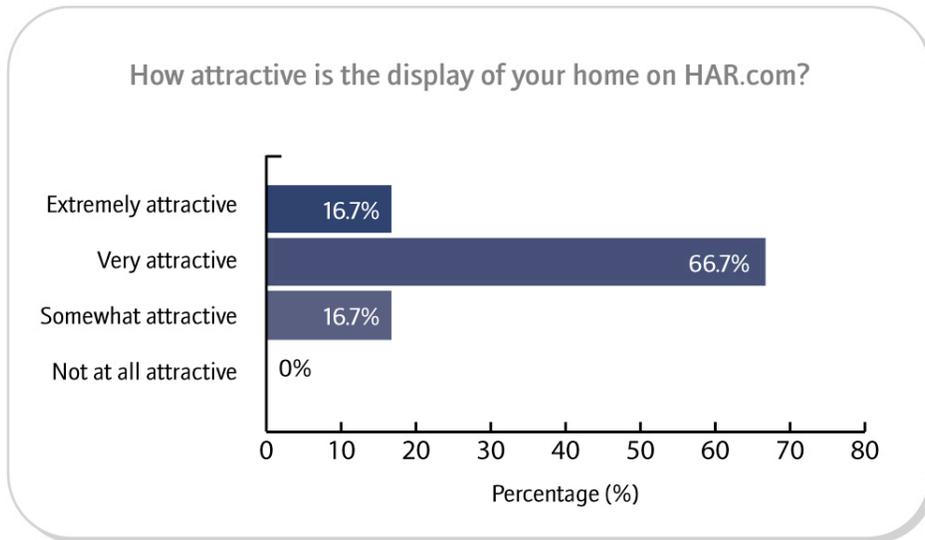




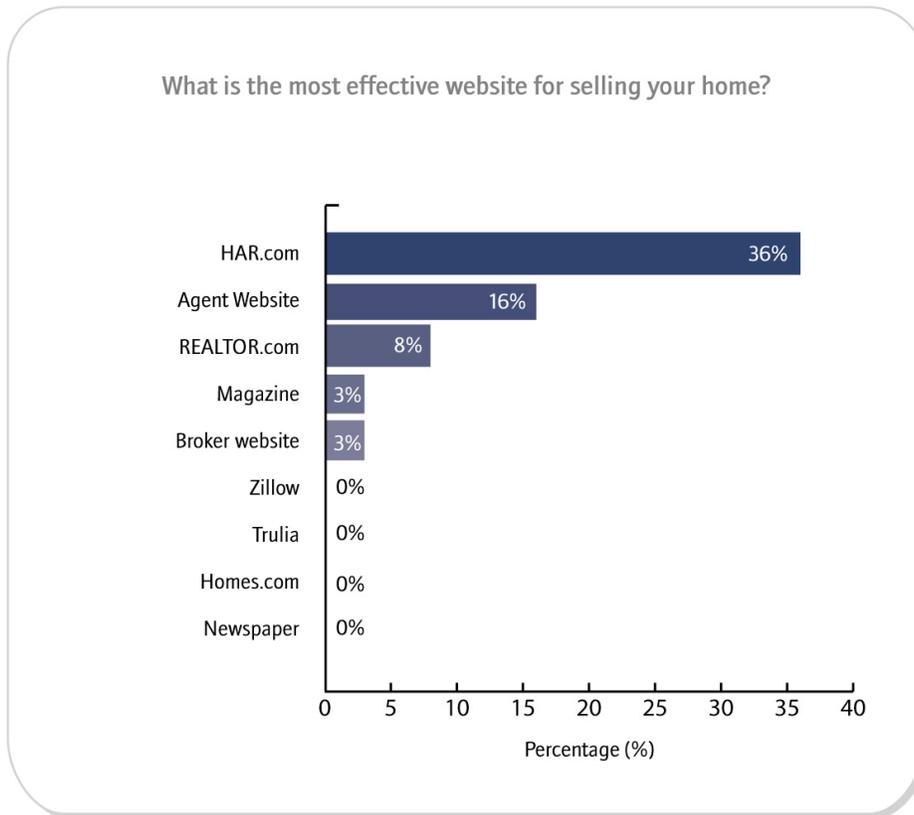
Listings in Houston are being promoted at HAR.com and real estate agent websites more than anywhere else. Listings in Houston are also being promoted at REALTOR.com, newspaper ads and real estate magazines.



77% of home sellers believe HAR.com is very or extremely valuable in selling their home. They believe HAR.com receives a lot of traffic and is a good place to advertise their home. In some cases their agents apprise them of the activity on their home from HAR.com.

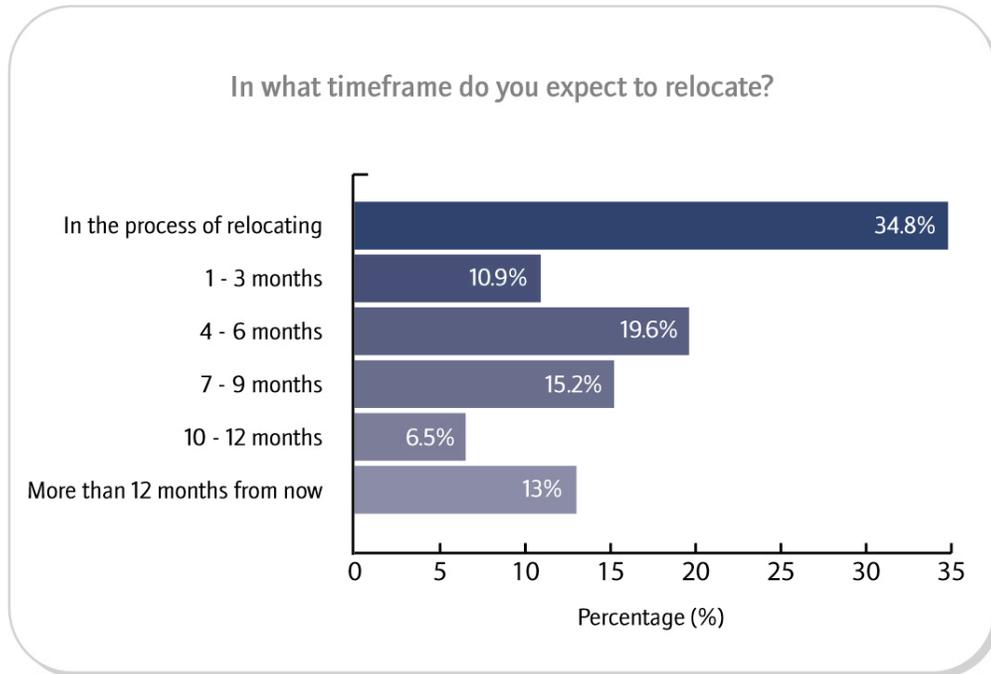


83.4% of home sellers in the survey believe the display of their home on HAR.com is either very or extremely attractive. No respondents believe their home display is not attractive on HAR.com. They like the number of pictures that can be displayed and the ability to include virtual tours.

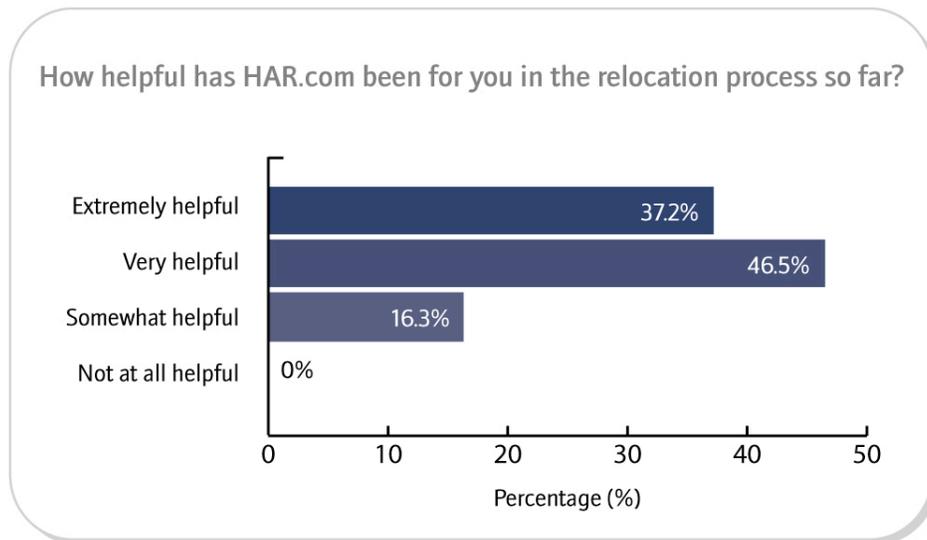


Home sellers were asked to choose the marketing tool they believed to be the MOST effective in selling their home. The largest percentage of home sellers believe HAR.com is the most effective website for selling their home. A smaller percentage of home sellers believe real estate agent websites are the most effective tool for selling their home followed by REALTOR.com. Interestingly, no consumers believed Zillow, Trulia, Craigslist, Oodle or SearchinHouston.com were the most effective website for selling their home. Some respondents also believe yard signs were effective in selling their home.

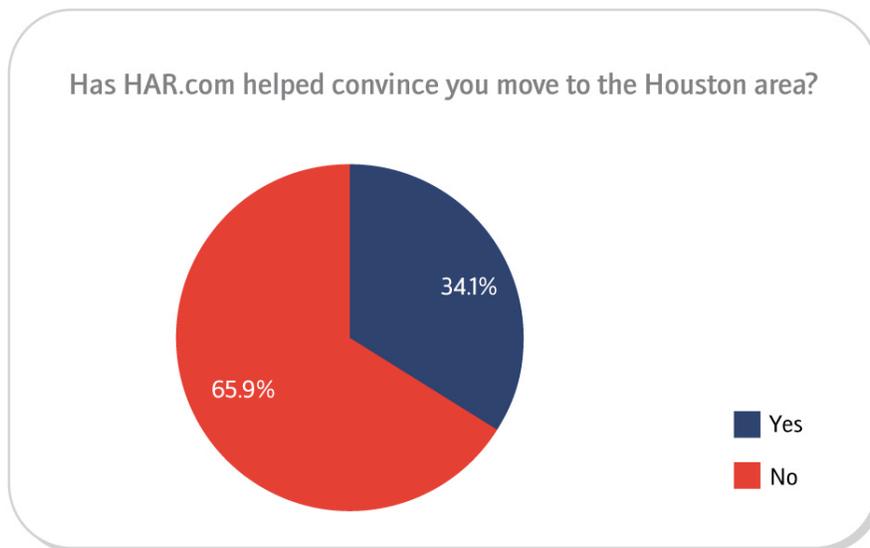
## Relocation Consumers



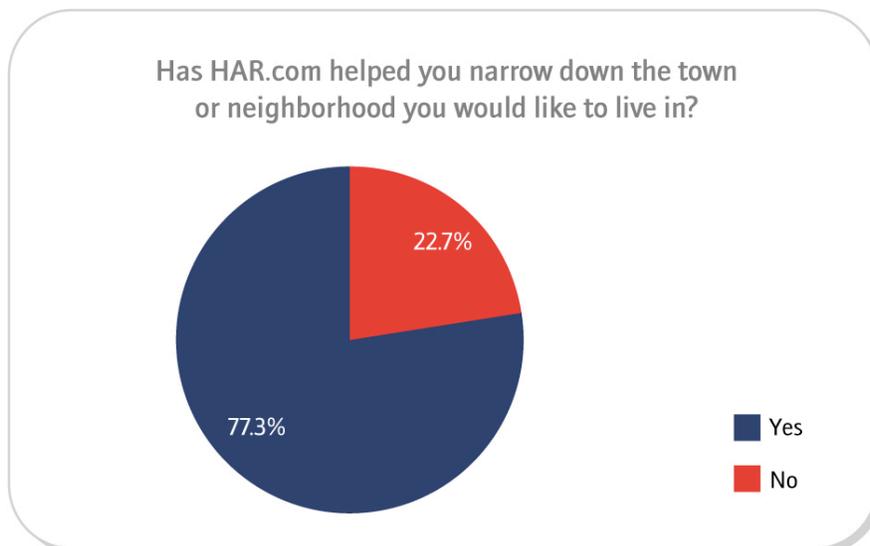
More than 1/3 of relocation respondents are actively in the process of relocating currently. Nearly 2/3 of relocation respondents are looking to relocate in the next six months. Just 13% are looking to relocate in more than 12 months.



83.7% of relocation respondents believe HAR.com has been very or extremely helpful in their home search so far. None believe it has not been at all valuable.

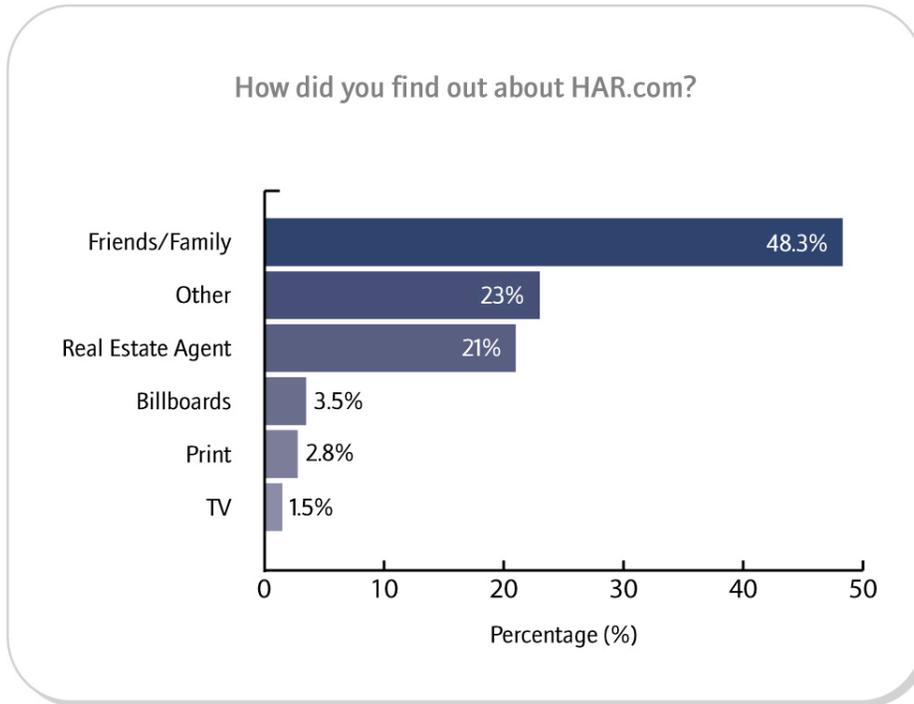


Interestingly, nearly 1/3 of relocation respondents said HAR.com has helped convince them to move to the Houston area. A site focused on the unique assets of a local area can be a powerful tool for some consumers. MLS Consumer websites who focus exclusively on one region are in a unique position to promote the unique assets of their area more so than national listing aggregators.



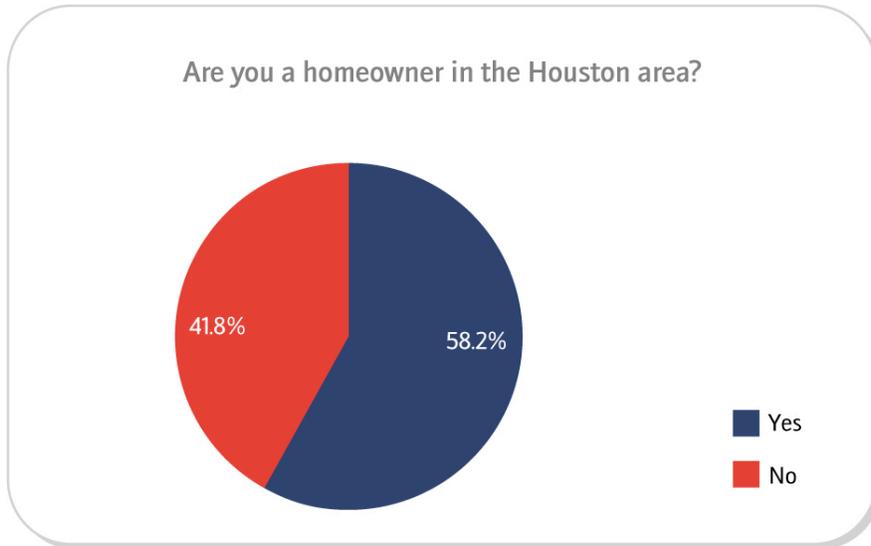
77.3% of relocation respondents believe HAR.com has helped them narrow down the town or neighborhood they would like to live in.

## Profile of MLS Consumer Website Users

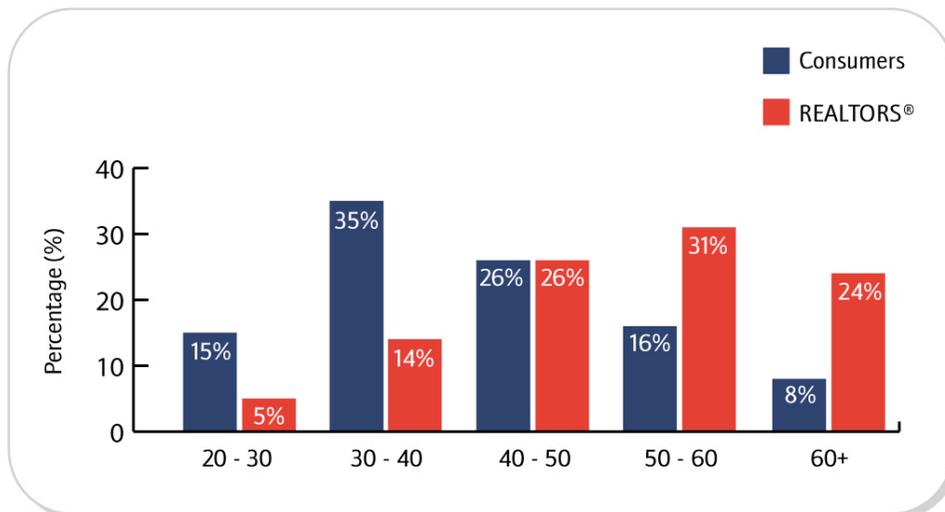


Nearly 50% of respondents found out about HAR.com from friends and family indicating that there is strong awareness of the website among consumers. 23% of respondents found the website from a search engine and 21% of respondents found the website by referral from a real estate agent.

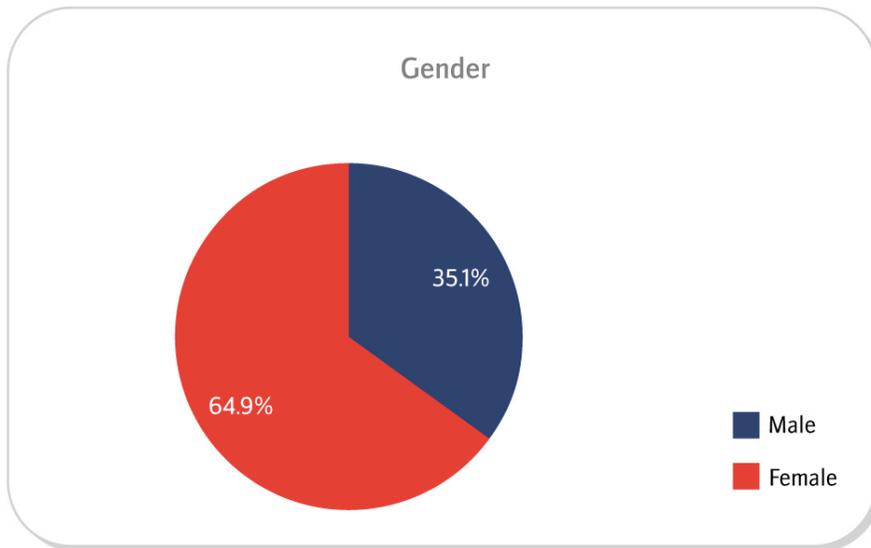
While HAR spends nearly one million dollars per year promoting REALTOR® value to consumers and the site on billboards, TV and print vehicles around the region, these were not key drivers of awareness. Word of mouth drove more traffic than anything else. When examining the website statistics of a large number of real estate agents WAV Group has found that traffic is usually generated mainly from word of mouth awareness, similar to these findings.



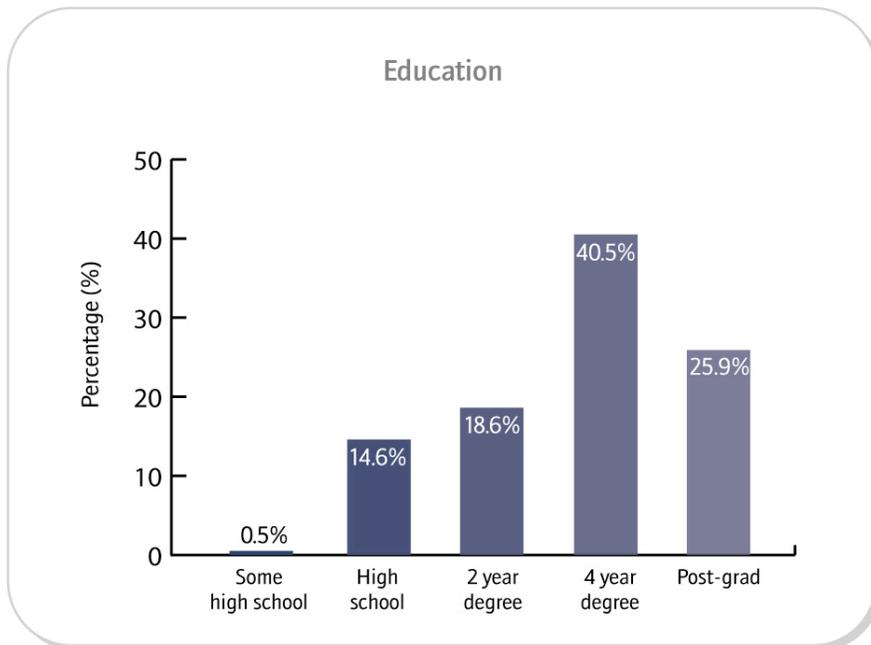
Nearly 60% of respondents already own a home in the Houston area.



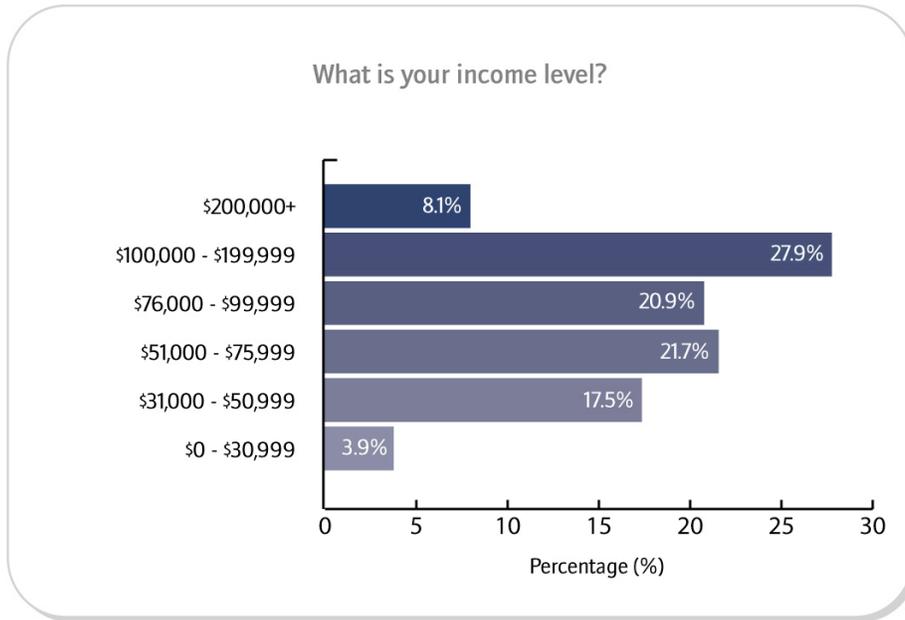
50% of respondents to the WAV Group MLS Consumer Website Effectiveness Survey are between 20 and 40 indicating they fit the profile of "Internet" real estate consumers. They require instant access to information and expect timely responses from consumers. Conversely 55% of REALTORS® are 50 and older according to the 2007 NAR Member Profile study. To effectively reach this younger audience, REALTORS® need to adapt their communication methods and level of responsiveness.



Nearly 2/3 of respondents are women. Website usability studies have proven that women search the web differently than men do. They require simple, intuitive usability while men are more interested in more data and are willing to spend the time to "surf around" to find it. Women are interested in getting quick answers. They do not want to have to struggle to get the answers they need. The usability needs of women needs to be considered first and foremost when building navigation for MLS Consumer websites.



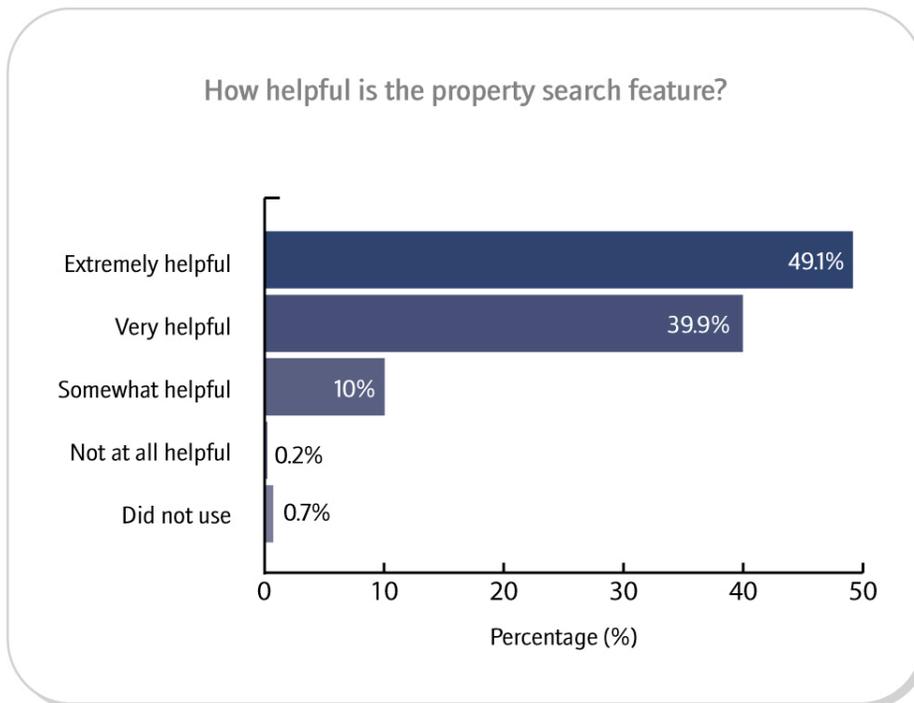
HAR.com consumers are well-educated. 2/3 of the survey respondents have a four year degree or post graduate degree.



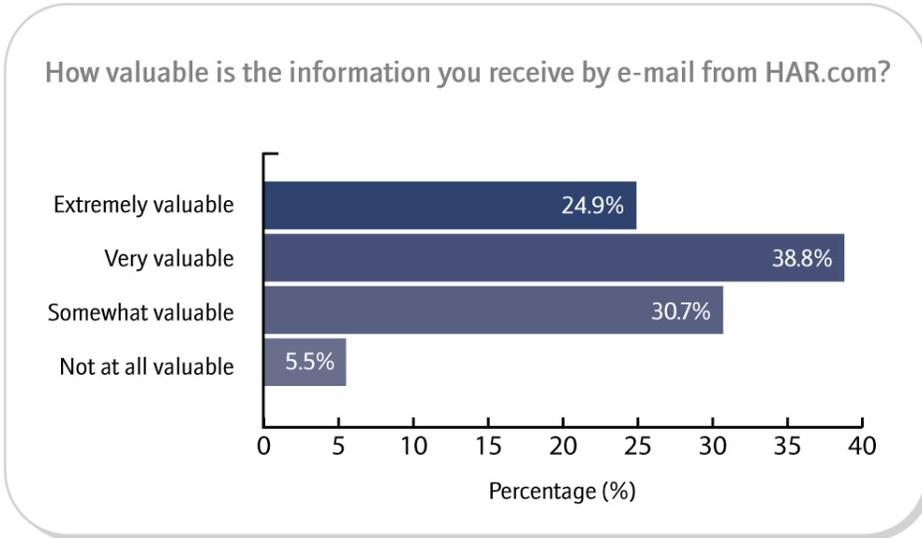
36% of consumers have income of \$100,000 or greater.

## Website Features Feedback

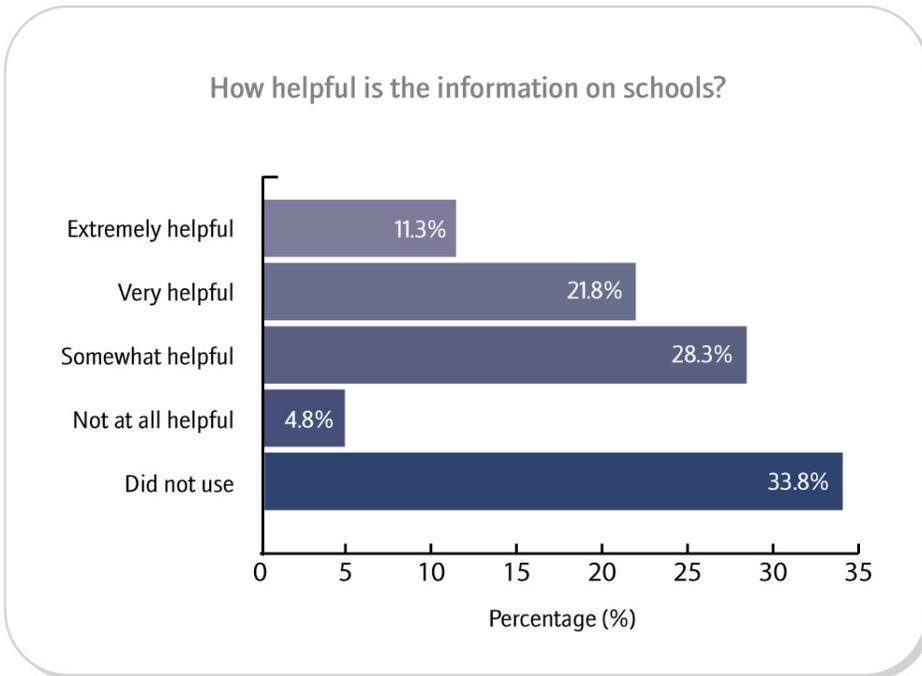
In the WAV Group MLS Consumer Effectiveness Survey, WAV Group asked a series of questions about satisfaction levels with various features of the HAR.com website. Those answers are summarized below:



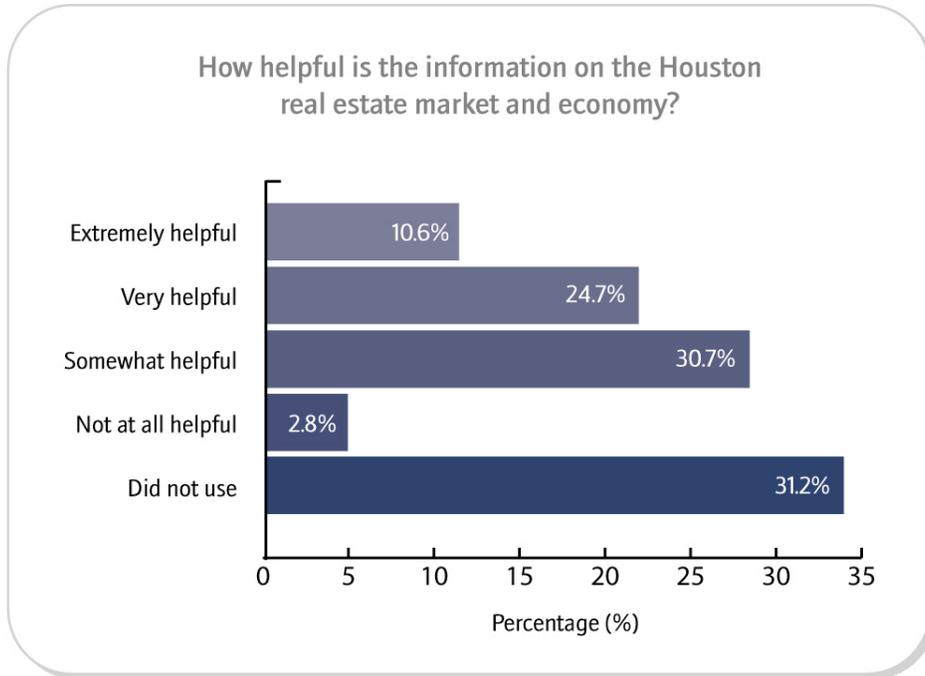
Like most real estate websites, the property search feature is by far the most popular feature. Nearly 90% of respondents said the property search feature is either very or extremely helpful. Less than 1% said they did not use this feature.



Nearly 2/3 of respondents believe the information they receive via email is either very or extremely valuable. Respondents like the ability to monitor the market using their own search criteria. They would like the auto email to only send them listings which are truly new or have price reduced, not with a small copy change.

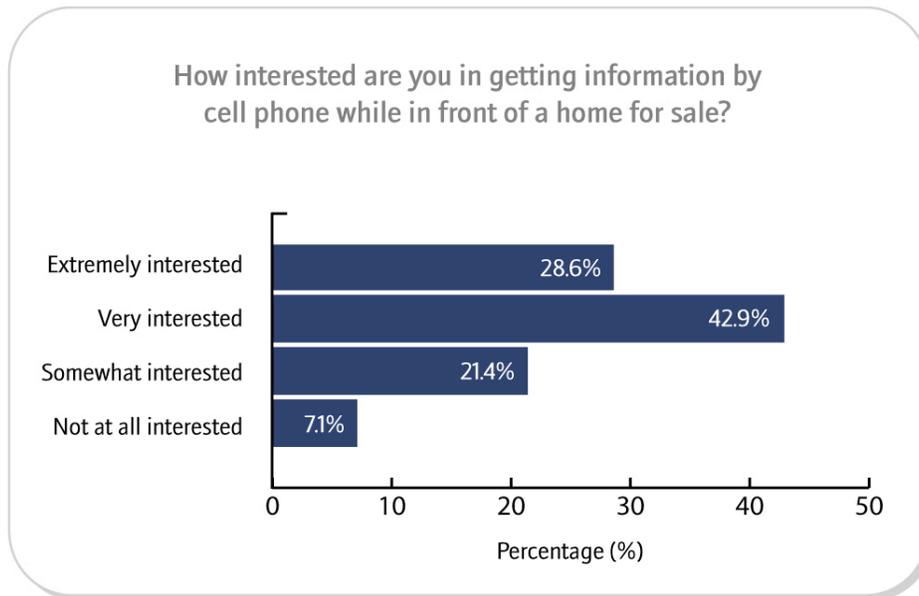


School information is much less valuable than property information. Nearly 1/3 did not use school information at all and only 11.3% said it was extremely helpful. Schools are a secondary requirement when building a MLS consumer website. They are particularly valuable for potential relocation clients, however.



The information about the Houston economy was more valuable, on average than schools information, but was still not a critical factor for the satisfaction levels of the MLS consumer website. Easy to use, flexible and comprehensive property search information is by far the most important element to focus on when building a MLS consumer website.

WAV Group also asked some questions about desired functionality.



Nearly  $\frac{3}{4}$  of consumers are very or extremely interested in being able to get property information while they are standing in front of a home for sale.

## Consumer requested improvements to HAR.com

Satisfaction levels are very high with the current functionality of HAR.com. When asked what HAR.com could do to improve, consumers did provide several suggestions.

### Mapping

Top on the consumer list was mapping. They want to map everything- active listings, sold listings, open houses, schools, other points of interest. They want to search neighborhoods by map, and exclude neighborhoods. Furthermore, maps that are inaccurate disappoint consumers very much.

Respondents said:

*“When locating a home on the map, I often like to see the listings surrounding that home. However, the site does not allow me to view the details of several homes around the first mapped home. I have to restart the process.”*

*“I’d like the ability to digitize a polygon on a map of Houston to delineate an area of interest for searching, and to be able to see school zones and zip code areas mapping overlays.”*

### Foreclosures

Nearly 1/3 of the improvement suggestions for HAR.com was a request to return the foreclosure link – functionality that was removed from the site and has recently been reinstated as part of the recent HAR.com relaunch. This appears to be one of the reasons many consumers are coming to the site. The site also attracts investors who would like to be able to track foreclosures as well as many saved searches running simultaneously.

### SOLDS

Many consumers would like better information about solds in the area. They would also like to know pricing and sales history for homes they are interested in.

### More data embedded within listing

Consumers would like to be able to receive more information directly from the body of the listing. They are particularly interested in the integration of tax information, homeowner’s association costs and open house information within the listing. Respondents to the WAV Group MLS Consumer Website Effectiveness survey would also like to see crime stats and links/maps to points of interest around a property embedded in the listing as well. Once they find a property they are interested in, they would like to become more fully informed about all elements of the home without having to leave the detailed listing page.

## Statistics

The information needs of consumers are ever-increasing. Many in the survey asked for days on market, listing dates and cost per square foot measures. They want to be as educated as they can when they are talking to their REALTOR®.

## No Photo, No Listing

Consumers get really frustrated by listings which do not include a photo. The Houston Association of REALTORS® now requires at least six photos before a listing can go live. Consumers believe this policy is critical.

## Data

Consumers are data hungry. They want as much information as the MLS can provide them. Popular requests were HOA dues, plat maps, price history, listing date, days on market and taxes.

## Data Accuracy

Consumers expect REALTORS® to enter listing information professionally. For example, under schools, some agents had put in HISD (Houston Independent School District) rather than school names.

*“The local schools section is frequently incomplete with just “HISD” or some such written in. This means I have to go to the HISD site and type in the street name to find out which school is local. Perhaps a link to the HISD site (and the spring branch site, etc) would be helpful here, as that was a cumbersome exercise. Also, knowing the number of hits to a particular page would be of interest.”*

*“I would like to see listing dates on the page with the rest of the property details. My husband owns a renovation company - buys and sells homes. We use HAR.com to stay up to the minute on homes that come on the market in our area. It would be helpful if we had the information that the realtors get such as listing date, days on market, previously listed or not, etc... It really hurt us when you took away the foreclosure link.”*

## Best Practices for Creating a Successful MLS Consumer Website

From its work with MLS, broker and agent websites around North America, WAV Group has the following suggestions about best practices for building a successful MLS consumer website.

### It's all about property search

Like most real estate websites the most important feature, by far is property search. The property search feature needs to be the key focal point of the site.

The search features need to be as easy to use and as flexible as possible. Map-based searches are becoming the norm particularly with the capability of doing one of more polygon searches simultaneously. The ideal property search feature is based on a fairly new technology called "plain language search" where a person can type in a criteria and the search adapts to the consumer's specific need. For example, if a person is looking for waterfront property in a particular town within a particular price point, the system would automatically query the database to find search results which match the criteria without having to complete a detailed search query. Natural language or plain language search may also be find homes with a unique characteristic like a remodeled kitchen or inclusion on the historic register. Plain language search could also make it easier for someone relocating to an area who has a desire to buy a waterfront home, for example and would like to get a gauge on the cost of waterfront properties in a variety of locations around the region.

Ideally, the display of a property listing integrates all relevant information for the home. School information, tax information, points of interest and even sales history is ideal.

Many consumers are also asking for price per square foot and days on market calculations. Consumers also asked to be able to search by school and points of interest or work addresses.

### Overt REALTOR® Branding

Consumers really appreciate the difference in the data quality of a MLS Consumer website versus other third party lead aggregation sites. As the newly relaunched HAR.com site does, MLS public websites need to provide an overt connection to REALTOR® branding so that consumers know the site is being offered to them by local real estate professionals.

### No Registration Required

The best websites also do NOT require registration before receiving information. Consumers should have the capability to sign up for saved searches and ideally multiple saved searches, but they should not have to provide contact information unless they would like to.

## “Smart” Auto Email

Consumers really like auto email features. They would like the system to flag the changes to a listing when it is sent more than once. It would be great if there are only small copy changes that the system would be “smart” enough to know to not send the home again. Consumers would like to see the days on market in auto email as well.

When the auto email is sent, they would like the ability to add properties to their favorites list and provide feedback on each home to their REALTOR® so they can get a better idea of the types of homes they are looking for.

## Easy to connect with REALTORS®

Nearly half of consumers in the WAV Group MLS Consumer Website Effectiveness Survey have contacted an agent to get more information about a listing. The best MLS consumer websites make this process simple and efficient. They also allow the consumer to contact both the listing agent and their own agent with the request. The site could even include an appointment scheduler and methods for providing property feedback both from viewing the home from the web as well as in person.

Some consumers really liked the fact that the listing agent can see what homes they have viewed and contact them to help them learn more about the property.

Ideally the MLS will also provide training to brokers and agents about best practices for providing prompt follow-up to the leads.

## Promote lead results and value

In order for MLS REALTOR® members to understand the value of the MLS consumer website, the MLS needs to effectively promote the number of leads that are coming from the website.

They need to provide monthly reports to agents and brokers outlining the number of leads they have received month-to-date, quarter-to-date and year-to-date. Ideally the lead system also tracks how many leads have been followed up on so that the MLS can coach brokerages which are not leveraging the program to its fullest.

By actively promoting the leads generated by the MLS consumer website, a broker can calculate the amount of savings the site has created for his firm. For example, if a brokerage receives 1000 leads in a month and the average cost of buying a lead from a third party is \$10, he actually received \$10,000 in value from the MLS for the month.

In addition to promoting the amount of leads, the MLS can also provide information about best practices in lead tracking and conversion if their membership deems it appropriate.

Brokers in the Houston market suggested that the MLS conduct office meetings to help agents understand the number of leads they can receive from the MLS public website. They also recommend that the MLS promote consumer's interest in connecting directly with listing agents through the MLS consumer website.

## Keep Consumers Satisfied

Like any website, without consistent improvements the site can languish. WAV Group recommends conducting quarterly subscriber research to measure satisfaction and to identify opportunities for usability improvements.

## Effective Website Promotion

In order for a MLS consumer website to be effective, it needs to be actively promoted. Ideally the site is promoted with a mix of off-line and online promotional efforts. Promote it in real estate magazines and open house sections in the newspaper. Test other methods like radio, billboard and if you can afford it, TV campaigns.

Build a blog and invite MLS members to contribute to it with information about neighborhoods, new developments, real estate trends etc.

Promote the site via a Google Adwords campaign and employ the latest techniques in search engine optimization. Search Engine Optimization is one of the most effective and least expensive methods for improving search engine rankings. There are firms which specialize in optimizing exposure for your website with dynamic "SEO" programs. Identify a URL that is easy to remember and ideally includes the word MLS since consumers really appreciate MLS-sponsored websites.

If you are having trouble affording promotion, you may want to take a look at spending for other services and programs and see if you can shave budget from less popular programs to afford the MLS website. The MLS might also look at creating non-dues revenues which can be used to support the promotional costs of the website.

## Conclusions

WAV Group believes that MLS Consumer Websites<sup>®</sup> are a meaningful and relevant tool that can serve the needs of the REALTOR<sup>®</sup> by increasing exposure to listings and creating a direct connection with consumers interested in buying and selling homes.

The WAV Group MLS Consumer Website Effectiveness Survey provides quantitative evidence that consumers in Houston appreciate and trust listings portals delivered by MLSs more than any other source. MLSs have the unique ability to bring consumers the most comprehensive, up to date and localized listings public database to consumers and they need to leverage it on behalf of their REALTOR<sup>®</sup> members.

Some in the industry need to let go of the belief that MLS websites are competitive with their own websites and begin to recognize the power of consolidating marketing efforts to counter the well-funded initiatives in play by third parties which are capturing the top spots in search engines.

## For More Information

If your organization needs help defining, testing or executing a MLS Consumer Website, the WAV Group can help. If you would like to learn more about the study or about ways WAV Group can help you launch your MLS consumer website, you can contact WAV Group at [marilyn@wavgroup.com](mailto:marilyn@wavgroup.com).

## About the Author

**WAV Group** is a leader in providing consulting services to the real estate industry. The company 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 demonstrated objective thought leadership by studies written for some of the largest organizations in the industry including the National Association of REALTORS<sup>®</sup>, California Association of REALTORS<sup>®</sup> and others. It has also authored several of its own studies including its annual MLS Technology Survey, Mid-Year Technology Update, Transaction Management Adoption Study and many others.



### Marilyn Wilson

Marilyn Wilson has led several efforts to create blockbuster products and services for consumers. She led marketing and product development efforts at world-class companies like Fisher-Price, Microsoft and others. She also ran a software company driving an effort which delivered a product with strong consumer usability, messaging and viral marketing. Marilyn consistently brings the consumer into the center of the conversation. She believes the most effective way to thrive in real estate is to demonstrate an undying commitment and timely responsiveness to your customer.

Marilyn brings experience from both the real estate industry as well as Fortune 100 companies to the areas of website development, ecommerce, strategic planning, research, marketing and product development. She is a graduate of Cornell University and a contributor to the best-selling management book, *At The Helm*.

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### Victor Lund

Victor Lund has led several sales and business development initiatives launching highly successful products to business owners. He has worked in several sectors including construction, technology and the venture capital markets prior to forming WAV Group.

Victor brings success strategies for effective methods for rolling out technologies which help agents and brokers grow their business. In his most recent engagement, Victor led efforts to launch a highly successful web services division for a leading real estate magazine publisher. Victor is a graduate of St. Olaf College and attended Oxford University in England and is a contributor to the best-selling management book, *At The Helm*. Victor can be reached at [victor@wavgroup.com](mailto:victor@wavgroup.com) or 805 709-6696.



## Mike Audet

Mike has been on the leading edge of the real estate industry for over 20 years with an extensive professional track record in technology, management, business development, and sales.

As an executive with leading MLS technology companies Interealty and Moore Data, Mike led multiple business units bringing both companies to record sales performance and customer ratings during his tenure. Recruited by Microsoft, Mike worked for two years on the MSN HomeAdvisor team in business development providing leadership on their Internet and Broker software products. Mike was instrumental in the design and rollout of Realty Desktop and also in helping Microsoft reach and exceed their goal of over 1.5 million listings on HomeAdvisor.

At WAV Group he has led efforts to provide thought-provoking, objective consulting and research which has helped drive improvements in MLSs, technology vendors and real estate brokers globally. Mike can be reached at [mike@wavgroup.com](mailto:mike@wavgroup.com) or 716 839-4628.

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