



**Agent Responsiveness
Study 2013**

WAV GROUP

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Executive Summary

Online marketing in real estate has become a key business strategy for agents and brokers. Billions of dollars in marketing investments are targeted at achieving online effectiveness. Publisher websites, pay-per-click, banner advertising, listing syndication, IDX, VOW, franchise portals, broker sites, MLS consumer websites, virtual tours, and agent websites comprise the bulk of these online marketing efforts.

The point of all online marketing is to connect homebuyers with properties for sale.

WAV Group has been studying these strategies for a decade. Our charge is to support clients in maximizing their online marketing efforts by developing good strategies, ensuring systems are operating correctly, and measuring results. There are some companies that are succeeding in America today, but most are failing. When interested homebuyers inquire about a property displayed on the Internet, the responsiveness is awful. In fact, it is so bad that it casts a shadow on the professionalism of our industry as a whole.

WAV Group evaluated agent responsiveness this year by becoming a homebuyer lead across hundreds of brokerages in 11 states. Our findings may shock you.

- 48% of buyer inquiries were NEVER responded to.
- Average number of call back attempts after the initial contact was 1.5
- Average number of email contact attempts was 2.07
- Average response time was 917 minutes (or 15.29 hours)

Take a moment to digest the numbers above. This epic failure to serve the consumer actually represents the greatest outstanding opportunity for real estate professionals. **There is no strategy for business effectiveness in real estate that can trump the revenue that would be generated by firms who tackle lead responsiveness and fix it.**

There are only a few firms in America who have made buyer responsiveness a chief initiative in their business. They do such a good job that they have been pigeonholed by terms like “alternative business model brokers,” or “online brokers.” Beyond any doubt, ZipRealty, Redfin, and Weichert have taken command of online responsiveness in real estate. These companies blend together three chief components that every broker in America needs to embrace: lead acquisition, lead management, and (most importantly) accountability for responsiveness.

This paper is a publication of our national agent responsiveness research. It provides a benchmark for all portals and brokers. We would like to express our appreciation for the opportunity to publish the results from one of the nation’s leaders in agent responsiveness, Weichert Lead Network. For the first time, one of the best in our industry

has allowed us to publish their results publically. Full disclosure: Weichert is a WAV Group client. The purpose of this research was to benchmark Weichert against the industry to measure their performance. We are grateful that they allow us to share their proprietary data.

Weichert Online Effectiveness:

Number of leads generated by Weichert per month: 60,663

Percent of buyers responded to: 100%

Average response time: 3 Min

Number of follow-up attempts: 5-11

Number of referrals per year: 301,772

Our hope is that, in some small way, brokers and agents will agree to join together unselfishly to solve this problem; the consumer deserves it. The passive process of delivering leads to listing agents is fine, but only for about 15 minutes. After that, it is incumbent upon the listing agent and broker to agree to immediately find an available REALTOR® to help that consumer. Listing agents need to embrace change in our industry for the benefit of the seller, the prospective buyer, and for the industry at large.

Agent Responsiveness Research Methodology Overview:

The design of the study was intended to remove any bias from the results that would allow enterprise solutions to dominate. To accomplish this goal, we outlined four principles.

1. Create data sets that will yield statistically relevant results. To that end, we performed a random sample of 384 broker listings across 11 states.
2. Focus on default lead inquiries presented on consumer search sites. The way that leads are generated could vary. We focused on the “inquire about this listing” form presented on broker websites, and three leading portal websites: Zillow, Trulia, and Realtor.com.
3. No discussion with agents.
4. No demographic segmentation.

Methodology Detail

1. Sample Set

Since the design of the sample set is intended to create a benchmark that would allow Weichert to index their performance against the industry at large, we narrowed the sample to the 11 (of 35) States where Weichert provides brokerage services. The size of the sample was set to provide a 95% confidence level with a margin of error of 5%.

State	Listings	Listing Inquiries
CT	29105	21
DC	2101	2
DE	3723	3
FL	138318	100
IL	71942	52
MA	37119	26
MD	35873	26
MI	27385	20
NJ	76409	55
NY	72343	52
VA	37453	27
Listings	531771	384
Margin of Error		5%
Confidence Level		95%

2. Websites Researched

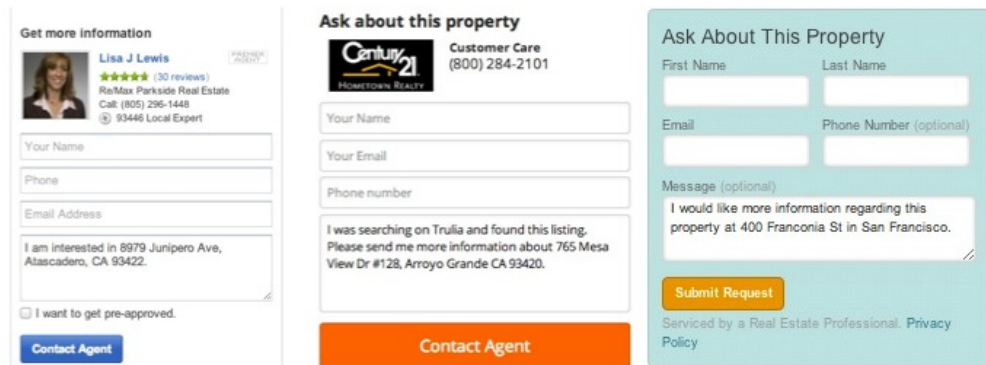
WAV Group divided the total number of inquires for each state pro rata across the four categories of websites: broker, Zillow, Realtor.com, and Trulia.

In no case did WAV Group inquire about a listing from the same brokerage. So the brokerage sample set resulted in a sample of 384 different brokers and agents.

WAV Group focused on featured listings on the portal sites in an effort to maximize response rates and align correctly with broker inquiries.

3. Inquiry Style

Each inquiry was the default inquiry on each site. Below are the inquiry methods for Zillow, Realtor.com and Trulia. Broker inquiries were somewhat different as lead capture forms tended to vary across different broker websites. WAV Group provided a phone number 50% of the time to determine if adding the optional phone number on the lead form created a variable to responsiveness.



4. Data Collection

- 50% of inquiries will be submitted with phone number, 50% without
- Response Yes or No
- Response time
- Number of call back attempts the agent made

5. Results

- 384 - Number of leads generated
- 52% - Percent that responded to initial contact*
- 1.52 – Average number of call back attempts after initial contact
- 2.08 – Average number of email attempts after initial contact
- 5.3 hours – Average response time

*All of the portals and most broker websites have auto-responders. We did not count the auto-responder in this study. The goal of the research was to measure agent responsiveness. If the agent reached out to contact the consumer then initiated a drip campaign, we counted the drip messages as responses. WAV Group determined that if the agent tried to connect with the consumer and the consumer did not respond to the initial attempt, putting that consumer into a drip campaign and making future attempts to contact the consumer are best practices.

Best Practices

Develop a Robust Lead Management Solution

In an ideal world, a brokerage would deploy a fully customizable Customer Relationship Management solution like SalesForce.com or NetSuite to operate their entire business. Unfortunately, those solutions are often too hard to maintain and too costly to be practical for the balance sheet of most real estate brokerages. If you are a franchise broker, your best solution is to use the lead management solution offered by your franchisor (i.e. LeadRouter for Realogy franchisees).

Focus on Your Relationship Building and Sales Expertise

Many real estate brokers spend too much of their time trying to generate solid leads of interested buyers and potential sellers, and not enough time closing them. Simply creating a lead and throwing it over the fence to an agent is not working in real estate today. Agents get too many bad leads and develop *bad lead fatigue*. Bad lead fatigue happens over time when agents realize that most leads are bad, so they begin to ignore them. Unfortunately they are ignoring good and bad leads at the same time.

Great brokers develop the lead for the agent. Agents do not want to spend time filtering and qualifying leads. They need to focus on delivering the expertise, knowledge and guidance to help get customers to the transaction table!

Many real estate brokers have extracted the lead development process from agents. They send those leads to trained customer service and sales people whose only job is developing leads and referring them out to agents when the consumer is ready to transact. For example, when a potential customer submits a Web form through Weichert.com the business rule is to contact them up to ten times. The lead development team performs the heavy lifting of identifying an interested customer before the customer ever gets passed along to the agent.

Make Customer Service Your Competitive Advantage

In today's fast-paced market, the customer expects to get service. According to the National Association of REALTORS®, the average Internet homebuyer contacts *six* different brokers during their search. Studies have also shown that customers (68% of them) are most inclined to work with the first professional that they speak with!

When a customer reaches out through the Web to Weichert, their trained Inside Sales Consultants respond within three minutes, 100% of the time. Every lead is responded to within three minutes. The national average is 52% of leads responded to in 15 hours.

Customized Distribution of Leads Specialists

In the real estate industry today, the competition is brutal and the customers have high expectations; so do listing agents. They have an expectation that every lead on their listing will go to them. In order to maximize the impact of the first warm transfer, brokers should always make it a priority to call the listing agent first when a customer is calling on their listing. But if that agent is not available, the customer still needs service. That call must be directed to the next available agent who can help them.

Best practices are to create agent pools that direct consumers to agents who speak the language of the consumer - literally! If the consumer speaks Spanish, they should speak to an agent who speaks Spanish. Next, the agent pool must be divided by property type. Do not send a commercial lease inquiry to an agent who only does residential sales. The agent would have neither the interest nor knowledge to help that consumer. Obviously, you would want to target a pool of agents who are knowledgeable about the area where the subject property is located. Lead management is sort of like a matchmaking service that creates the best chance of converting a new lead into a customer for life.

About WAV Group

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 helping large brokers with strategic planning, research, and technology selection.

Please visit our website at <http://wavgroup.com>

Read our blog at <http://waves.wavgroup.com>

WAV Group Social Media connections are readily available on our website for each of our executives. We publish on LinkedIn, Facebook, and Twitter.

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