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## TECHNOLOGY IN THE TRENCHES

# For Some Agents, the Chickens Have Now Come Home to Roost

By Matthew Ferrara

CONSIDER IT A WAKE-UP CALL: INTEREST RATES are a little higher, inventory is a lot larger and days on the market are far longer. Certainly, it's not a crisis – not a burst bubble – but nobody can deny that the marketplace has substantially changed from last year's frenzy days of have-a-pulse-and-a-license-make-a-sale conditions. Yet even as the market has changed, the challenge facing real estate professionals today is the result of the investments they made – or failed to make – during the last few years in technology. For some agents, the challenge is welcome; they are ready to compete with the latest online and wireless tools.

For others, the chickens have come home to roost.

Consider that not only the technology has changed in the last few years. The demographics of the sale have dramatically shifted, from a focus on the seller to a focus on the buyer. When the market was seller-driven, the technology focus was on Internet marketing, Web pages and managing multiple offers. The average seller in America was a 47-year old whose technology expectations included PowerPoint presentations, online virtual tours and electronic forms. As the market becomes buyer-driven, the challenge is to meet the technology demands of the average 25-year-old first-time homebuyer who represents 50 percent of all sales annually. The technology expectations of this consumer – the echo boomer – are substantially different than those of the seller, and many agents will face a scramble to get up to speed. Let's take a look at just a few of the differences.

Consider that in a seller-driven market, the laptop was a primary technology. Even then, a very low percentage of real estate agents took their laptops to listing presenta-



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tions, used PowerPoint and possibly went online to demonstrate their Web site or show competing inventory. In the ultra-hot market, it really wasn't necessary to carry your laptop with you. With the marketplace responding to sellers' needs, the key technologies were e-mail communications and document management. It could even be argued that marketing technology stagnated during this period: A day on the Web was all many homes needed to receive multiple offers.

Enter the chickens.

In a buyer-based market, the technology needs shift toward broader prospect acquisition, faster information distribution and mobile communications. Inventory isn't the problem – so technologies geared toward getting inventory (PowerPoint presentations) and marketing it (Web sites) are no longer in the spotlight. Responding to buyers quickly (always-on email) and keeping in

contact with them (via wireless messaging) have stepped into the center ring. Prospecting to 20-somethings is a different game than in the past: Postcard mailings don't impress Generation Y and excessive spam has impacted the ability for e-mail marketing to make a connection to these younger buyers online.

The technology needs of a buyer-based marketplace are so different than those of the past five years that many real estate professionals find themselves back at square one. Here are some of the challenges:

In the past 20 years, e-mail became the primary communication tool of an entire business generation – the baby boomers – as well as members of Generation X who grew up with it. Recently, however, e-mail has become less of a central communication tool for the next generation of first-time homebuyers. Replacing the practice of checking email, Echo Boomers prefer to use instant messaging – on their computers – and text messaging on their phones – to stay in contact with friends, family and co-workers. This “always on” communication tool is independent of the device used: teenagers “IM” each other on their computers, cell phones and even game consoles. Most real estate professionals have rarely used instant messaging and, even then, have only used the basic text-chat with teens away at school. Instant messaging as a marketing strategy with first-time homebuyers remains science fiction for millions of agents. Using a program like Yahoo Messenger (<http://messenger.yahoo.com>) will be a minimum standard of practice in the next few months – if it isn't already – to keep in touch with modern buyers. Since instant messaging goes beyond text – into video chat, voice chat, file transfers and Web conferencing – the opportunities are enormous to revolu-

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tionize customer service practices. Yet too many agents today still dismiss instant messaging as a “need to know” technology.

Text messaging is even more challenging because it essentially moves instant messaging off of the computer and onto the cell phone. And let’s face it: 10 minutes into a real estate sales meeting demonstrates most agents’ mastery of their phone’s ring tones, let alone experience with its text messaging system. Yet text messaging is a powerful marketing tool (just ask Scion) that ensures your marketing can be delivered whenever, and wherever, your customer is, not just when they are in front of their computers. Text messaging will soon come to dominate new listing announcements, open-house reminders, price reductions and even broker-to-broker communications. It’s fast, to-the-

point and, most importantly, it’s the normal way of communicating for the future’s buyers.

Continuing the transition from a seller- to a buyer-driven marketplace, technologies that have traditionally been seen as accessories or entertainment also will assert their place in the standards of practice for the future. Using a personal digital assistant will need to move beyond simply “carrying around” listing information to the ability to beam it, e-mail it, text it and even present it to buyers whether at an open house, coffee shop or in the car. If the last few years heralded the decline of printed listing sheets and prospecting postcards, the next few will begin to marginalize the era of “online databases” where consumers have to do all the work to sort out the listing data. Mobile de-

vices – from PDAs to iPods – will enable a new method of managing listings.

The interesting part of this new set of challenges is that none of these technologies is “new.” The iPod didn’t just appear yesterday. Text messaging is years old. PDAs are approaching a decade of business use. The consumer has been purchasing, using and redefining their relationship to many industries – from travel to music to stock trading – with these mobile devices. Entire industries have had to retool their strategies for a buyer-driven, consumer-demand-based model of operations. It is perhaps unfortunate that the last few years in the real estate industry have been so supply-sided. The hard work of industry transformation has just begun – sitting right out there with the buyers on the roost. ■

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