

COMMERCE

Real estate should see disruptors as opportunities, not threats

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Better Homes and Gardens Real Estate

By FORREST CARDAMENIS

NEW YORK Selling real estate to the next generation requires constantly reevaluating oneself and embracing the consumer's point of view.

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Different realtors and brands have distinct histories, sizes and markets, meaning there is no one-size-fits-all approach to selling. However, panelists on "Next Gen Marketing Plan Creating a Strategy for 2016" at Inman Connect New York 2016 on Jan. 28 were united in noting the importance of looking to other industries and embracing, rather than fighting, changes in consumer behavior.

Connecting with disruption

At the beginning of the panel, Allison Cornia, CMO of Xome noted that worries about marketing to "the next generation" have been persistent for at least a decade. Nicole Oge, CMO of Douglas Elliman, agreed, noting that she is no longer sure if the phrase refers to millennials which includes everyone from fresh high school graduates to established professionals with families and perhaps multiple homes or their Generation Z successors.



1740 Bel-Air Road, Los Angeles; listing via Xome

For Jennifer Marchetti, CMO of Better Homes and Gardens Real Estate, worries over the next generation are silly. Because Better Homes and Gardens is such a wide-ranging brand with so much history, it has already survived multiple generational shifts. Rather than worrying about the collective as a unit, marketers should instead look to

preferences and simply try to understand the consumer.

For example, the millennial's well-documented thirst for transparency can be an opportunity for a brand to sell itself.

"Unlike generations prior, they are significantly more skeptical because of the amount of information available to them," Ms. Oge said. "That's a reality and not necessarily a bad thing.

"Anytime we can be taken to task to be more transparent, more consistent, to be more straight-lined and linear with respect to our points of differentiation and our value proposition, I welcome it," she said. "I think these next generations are kind of the garden rails that will keep us more honest, and there is nothing wrong with that."

Listening to the consumer and understanding them psychographically will give marketers the information they need to devise a detailed plan. While the prospect may seem daunting at first, the work will save time and increase sales in the long run.



5050 N Bay Rd, Miami Beach, FL; via Better Homes and Gardens

"When you think about doing a plan it couldn't be more annoying to find that time, but don't think about it as stopping what you are doing, think about it as making next year a lot easier," Ms. Marchetti said. "You should take a really hard look in the mirror and be very very honest about what you're good at and what you're not good at, and the latter is more important."

Studies have shown repeatedly that millennials will use technology to assist in buying homes, but they still depend on agents. That means the agents need to make themselves ideal for these new consumers.

There are countless choices for people looking to find a home, and that means if the first one does not provide the necessary resources, is too opaque or does not provide sufficient information, it is on to the next one. Agents can do themselves a favor by making email and phone number readily available, be it for text messages or good old-fashioned calls.

Additionally, the question of marketing to the next generation extends far beyond the real estate sector. Looking at what other sectors are doing to reach the generation could provide answers for the real estate world.



13 Downing Street, NY listed by Douglas Elliman

"The good and bad news of all of this is [that] every industry will change, every industry will get disrupted," Ms. Marchetti said. "When I first got out of school in 1998 we were sounding the death knells of big box retail.

"Those who didn't adapt did start to die, but the way of doing business changed," she said. "We always look outside because I'm never going to worry about what other [real estate] brands are doing; it's a waste of time.

"If you focus on your agents, if you have metrics, if you are open to learning, then there are industries that have gone before us to the breach and survived, so let's learn from their mistakes, not make them, stay focused and remember who your client is. If you remember who your client is and take their perspective, you will not fail.

And indeed, rather than thinking of changes as "disruptions," it helps to think of them as opportunities. Precedents across all industries show those who try to dispel disruptions often sink. Instead, a focus on technology presents opportunities in contact and marketing.

Stay focused

One opportunity that other industries have embraced in reaching millennials that the real estate industry has not is gamification.

These game-like challenges could include liking items on Facebook or sharing purchases on Instagram to be recognized by the brand. Thirty-one percent of retailers used gamification in 2015, a growth from 6 percent the year before ([see story](#)).

"I don't come from this industry, I come from gaming," Ms. Cornia said. "If you are not figuring how to use the principles of gaming in your mobile apps or digital experience you are missing one of the fundamental aspects of millennials," she said.

Finding new ways to reach consumers in accordance with their habits will help brokers fight against a potentially slowing market.

Although New York real estate boomed in 2015, the United States saw prices start to flat line in the second half of the year, possibly providing a preview for 2016.

While the demand for New York real estate will remain high for the foreseeable future, there are mixed signs as to what might happen with the country's high-end market as a whole. Domestic and international economic factors will play a role in prices, while a growing millennial market could begin to impact what amenities are offered ([see story](#)).

"With respect to the next generation, don't be fearful," Ms. Oge said. "I equate these things to yoga: Everyone is terrified and then you do it and it's not so bad, it's not so terrible.

"If you have been doing this for a while you realize there's always something new, But do what you feel comfortable doing as best as you possibly can," she said. "Have an open mindset that there might be some other way for you to communicate and translate your brand's value proposition. Stay focused on your business."