

REAL ESTATE

Real estate firms must focus on relationships: J.D. Power

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Digital disruptions present opportunities and challenges for agents. Image credit: Nest Seekers International

By SARAH RAMIREZ

For residential real estate companies, building customer relationships has become even more important as digital services continue to impact the industry.

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According to a new study by J.D. Power, more home buyers and sellers than ever before are using digital channels to find inventory and agents. Consumer satisfaction is up overall, despite more consumers doing more research than in the past.

"Real estate firms are recognizing that their value proposition has shifted from that of information broker to trusted advisor," said Craig Martin, senior director of financial services at **J.D. Power**. "As a result, we're seeing increases in customer satisfaction in each of the segments of home buyers and sellers."

The **Home Buyer/Seller Satisfaction Study** examines the experiences that first-time buyers, repeat buyers and first-time sellers have with largest real estate companies in the United States. The survey looks at satisfaction with an agent/salesperson, the real estate company office, the closing process, additional services as well as real estate company marketing, in the case of sellers.

This year's study included 4,072 evaluations from 3,332 customers who bought or sold a home between March 2017 and April 2018.

Client concerns

Today, 88 percent of buyers search for a new home before they begin working with an agent.

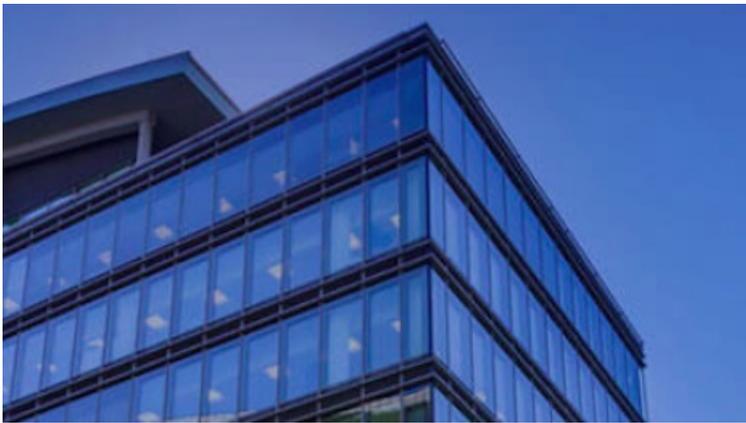
First-time buyers will even turn to social media to look for a new home. About half of consumers 47 percent of buyers and 55 percent of sellers will use social media to find agents.



Buyers and sellers are trending away from using realtors. Image credit: Christie's International

With all the information available online, some buyers and sellers end up foregoing traditional agents altogether. Nineteen percent of repeat buyers, 14 percent of repeat sellers, 13 percent of first-time buyers and 9 percent of first-time sellers did not use realtors.

Despite using social media for agent recommendations, first-time sellers and buyers cite a firm's reputation as the top reason for selecting which company to work with. Repeat sellers and buyers instead consider personal experience with realtors ahead of company reputation.



Real estate companies rely on reputation and referrals for clients. Image credit: Re/Max

Since more than 50 percent of recommendations a customer makes result in new business for real estate companies, it is important for agents to know what traits their clients most value. Buyers and sellers alike are most satisfied with realtors who keep them informed throughout the process, answer questions quickly and thoroughly and share similar properties.

Century 21, Re/Max, Berkshire Hathaway HomeServices, Coldwell Banker and Keller Williams were among the real estate companies that scored highly in the study.

Marketing opportunities

Real estate companies have followed other brands and have begun embracing social media influencers as well.

Earlier this summer, Sotheby's International Realty and Aumann Bender & Associate hosted a gathering of influencers from throughout the country to promote the listing of a new \$7.75 million home. The event featured a live DJ, Champagne, photo booth and a private chef ([see story](#)).

Realtors also need to be aware that today's consumers are more knowledgeable than ever before.

Since so much property information is already easily available, online listings can be used to attract attention to homes with flashy photography or engaging copy.

As the luxury real estate industry in particular continues to grow in popularity, agents need to make their homes stand out among the crowd. To do that, Re/Max says they need to stop thinking about their listings as simple fact sheets and begin thinking about them as opportunities for a full aspirational advertising campaign ([see story](#)).

"The challenge for these companies is to consistently demonstrate and communicate the value to current and potential customers," Mr. Martin said. "Those who ensure trust and understanding are at the center of their client and

customer strategies will truly differentiate from both traditional competition and those attempting to disrupt the industry."

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