

INTRODUCTION

1000Watt recently released a report where they select the Top Ten Real Estate Brokerage Web sites in America. Naturally I read the report as I watch closely what happens across the country when it comes to Real Estate and Web sites.

SUMMARY

The report started with REAL TREND'S 500 LIST (a good place to start) and based the sites on:

- usability
- content
- features
- design

They left franchise brokers out of the report leaving the independent brokers.

The introduction to the report basically blasts the brokers as a group for being "windblown shells of their late -90's glory" and that "things should not... be this way." It proceeds by asking the question, "Why are excellent brokerage's websites so few and far between?"

The report state 3 reasons:

- vendor headlock. A term referring to legacy vendors.
- organization of the average real estate brokerage.
- offload web strategy to larger web sites (realtor.com, trulia.com, zillow.com, etc)

The report finishes the intro by stating, "Brokers can do better." Finally concluding by awarding the number one position to no one as each site "had significant flaws."

RESPONSE

I don't necessarily disagree with you but wanted to fill in some gaps left out. While your experience seems to come from the outside a real estate brokerage, let me share a little of what happens inside a real estate brokerage.

1-Market technology follows the market.

All markets follow the bulk of the dollars in the market. The market of real estate has the lion's share of dollars with people who are buying their second, third or fourth homes in their lives. Typically this is going to be the baby boomers, our older generation in their golden years.

While you and I have no trouble clicking through 500 web sites and writing email and blogs, baby boomers have trouble finding the ADDRESS BAR to type in a web site. No lie. I'm constantly amazed at the number of people I meet who have never written an email or can type in a web site. I grew up with email in college. They had to learn from their grandchildren.

I remember sitting through a meeting where a national hotelier, developing a project in the Bahamas, wanted a large local broker in Palm Beach to market and advertise the project in the States. The subject of web sites came up, naturally, and we started discussing the HomePage. The well-aged lead hotelier with his enclave of VP's raised his hand stopping the meeting instantly and asked a piercing question, "What's a HomePage?"

You may be laughing now but trust me, no one laughed.

Someone kindly explained to the man who had more personal wealth than everyone else in the room put together what a HomePage was and the meeting moved on for everyone but me.

I sat thinking about this item. What's the point of a fancy web site if the target audience can't

An Open Reply to 1000Watt Top Ten Real Estate Brokerage Web sites in America

Written by Doug Kruhm

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use it? Nothing. In fact from a business stand point, the marketing company would be better off dumping as little money into the web site as possible and use the money better else where.

Certainly we can see some of this in real estate broker web sites. A large portion of the baby boomer generation has trouble using computers and web sites. Therefore, they'd rather use a real estate agent. Frankly, it's easier for them. Since they are the one's with the money, the market follows them.

Great broker web sites are just starting coming into play. Most likely this is because the 30 something's are upgrading their starter homes where agents and brokers didn't make any significant money. This is one reason why excellent brokerage's websites so few and far between.

2-Technology Pace.

The pace of technology is dizzying to say the least. I have trouble keeping up with it and I do this as a living. Imagine that I didn't do it as a living. It's hard to tell what the heck is going on.

I give speeches as well. One of my speeches starts by saying that if you don't understand what I say in the next 30 minutes, don't worry, because it won't be around in 3 years.

You must agree that even the now ubiquitous IPHONE didn't exist in January 2006. Will it be around in 2012? Maybe. Maybe not.

So back to broker web sites. What's the point of a fancy web site if in 3 years it needs to be completely replaced?

Technology pace is another reason why excellent brokerage's websites so few and far between.

3-Cost.

Your claims that broker web sites are cost effective are, in my opinion, inaccurate. I've sat through many large web site pitches and they all cost over \$100,000 a year with at least a 3 year agreement. Many cost significantly higher.

Independent brokers have trouble coughing up this amount for a web site.

Good web sites are made by good people. Good people cost good money. Therefore good web sites cost good money.

I remember hearing a story of a large computer manufacturer signing a software deal for \$100 million. It works. But it also costs.

If independent brokers were part of a larger national network, then they could pull their resource and build tools and web sites. Today, nothing like that exists. But we are starting one.

Cost is a third reason why excellent brokerage's websites so few and far between.

4-Vendor Lock-in

You mentioned vendor headlock referring to legacy vendors (basically not considering other options) but vendor lock-in is different. Vendor lock-in means that most brokers are stuck with their choice of web vendors. Changing vendors is difficult and costly.

Most brokers are going to outsource their web sites rather than build in house. Very smart. However, choosing a partner is like choosing a spouse. You're going to be with this company for years whether you like it or not. If it turns out to be the wrong one, tuff.

The last company I spoke to who changed vendors took a full 3 years to do so. Putting a "new system" in place and teaching hundreds of people to use it (non-employees mind you) is a real PITA and drain on resources.

Being locked into a vendor is a fourth reason why excellent brokerage's websites so few and far between.

5-Vendor Choice & Market Fragmentation

Imagine this. Imagine I'm a broker who just started. I've got tons of cash and I need a web site. Who do I choose? It's not an easy question. As we've already covered, we're spending at least \$300,000 dollars on something that isn't tangible.

If I took a look at the list of the top 500, it still wouldn't help me as there is no clear winner. Most of the people are just trying to land a multi-year contract. Can they be trusted? Also, there are so many unknowns that web vendor market is difficult to navigate. Who's going to help?

Questioning a choice for web vendors is a situation that must be played over and over again a few times a year by the 500. Most brokers I talk to simply wait. They wait for larger brokers to choose and see if the solution they put in place works. Most of the time the answer is no, the solution didn't work. At least 3 years pass and another 3 years is starting.

Not knowing who to choose is a fifth reason why excellent brokerage's websites so few and far between.

6-Vendor Independent Customizable Upstream Provider

Wow, that's tuff to say and understand but it's true. Find a vendor that uses an independent upstream provider that can be customized as well. They don't really exist. But this is what brokers want.

The era of static web sites is over. Dynamic systems, what I consider upstream providers, have replaced them in just a few years. Even your own site uses TypePad as an upstream provider. If you decide to leave TypePad and move it's a big deal. But it's just content. You'll survive.

What upstream providers are available for brokers?

There are typical solutions for content are available such as SharePoint but what about the data?

Anything that resembles an upstream provider is usually the solution itself, such as Katabat or LeadMaxx. Customizing these types of solutions is basically out of the question as well as integrating the solution.

Changing upstream providers means changing vendors. And moving, not only content but also massive amounts of data.

Finding a web vendor that independently uses a different upstream provider is almost impossible to find. This is the last reason why excellent brokerage's websites so few and far between.

Conclusion

I'm sure there are more reasons but as for now that's good. Hopefully, you'll see why the situation isn't easy for brokers and their real estate web sites.

If there is really no number 1 position then you're not doing your job. Certainly all of your customers must be foaming at the mouth, angry at the proposition that their consultants haven't lead them in the right direction and have allowed glaring errors that kept them from the number one position.

Hopefully you didn't overlook this small logical impasse. I certainly haven't left any glaring errors in our client's web sites.

I'm not trying to start a fight but rather suggest you focus in on one client and make the site as best as possible. Prove the rest wrong and show numbers to prove it. Then you'll gather some real attention rather than hype.

ANSWER

So what's the answer? The truth is an independent broker needs a customized solution. Just as every local real estate market is different, so are the solutions that are needed to serve them.

This is what Regional IDX provider for their customers. Customized solutions that fit their needs. We don't create a cookie-cutter solution and try to sell and push that onto our clients. While that may be good business in the short term, in the long term only a customized solution works. Customized solutions take longer but it's well worth it. Just ask any of our clients.