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A KEY DRIVER IN BROKERAGE PRODUCTIVITY

ZILLOW GROUP'S PREMIER BROKER PROGRAM







**Brokers say driving productivity is the key to success
with Zillow Group's Premier Broker program."**

– Steve Murray, President of REAL Trends



INTRODUCTION

Nearly 90 percent of current or new homeowners begin their real estate search online*, so it isn't a surprise that gathering online leads is a standard part of gaining new business for real estate professionals. Roughly one-third of all housing consumers find a real estate professional on their own, and listing portals are most likely their first point of contact in that journey.

In the first quarter of 2017, Zillow Group had 166 million unique users across its mobile and desktop platforms, making it the most viewed residential website in the United States. Through online profiles, reviews and testimonials across multiple websites, Zillow Group has the largest database of real estate agents located anywhere. Creating opportunities for brokerage firms and sales associates to tap into its robust customer flow. It is no longer enough to simply participate in listing portals for the sake of having a presence. Today's investment in online lead sources demands a measurable strategy.

REAL Trends visited with four brokerage firms in four different markets to understand their goals when working with online lead providers, including their views and experience with Zillow Group's Premier Broker program. All firms interviewed use a multi-platform approach to online leads, including but not limited to Zillow Group, Realtor.com, Facebook and their company website. Each firm reported its ability to achieve success in their relationship with Zillow Group and expressed varying reasons for supporting the Premier Broker program. The end goal for all firms interviewed can be boiled down to profitable growth. Taking a closer look, REAL Trends discovered how each of the firms used online leads through Zillow Group's Premier Broker platform to tackle a specific pain point in achieving that growth.

**Source: National Association of Realtors®*



Zillow Group's Concierge Service is a

**valuable
bridge**

between the (customer) and our agents."

– Ken Carter, Watson Realty ERA



PAIN POINT: LACK OF CONTROL OVER LEAD RESPONSE

A broker's lack of control over how or when an agent responds to a lead creates an unpredictable experience for the consumer as well as the brokerage. Did the sales associates follow up in a timely manner? Were they prepared? Did they leave a good first impression? It's difficult for broker-owners to know the answers to these questions.

Zillow Group's Premier Broker program seeks to provide answers to those questions. Using the Concierge Service, where a Zillow Group representative responds to a lead inquiry in less than five minutes, a broker knows that a consumer's inquiry will be addressed quickly and efficiently on their behalf. "I like the fact that the Zillow Group Premier Broker program allows us to focus on the customer — not just on leads, but on serving the (customer) in a professional manner," says Ken Carter, principal broker of Bakersfield, Calif.-based Watson Realty

ERA. "Zillow Group's Concierge Service is a valuable bridge between the (customer) and our agents."

According to Scott Parker, vice president and sales manager at John Greene Realtors, Naperville, Ill., his firm is a grow-slow organization, but online leads are not a grow-slow business. After 12 months of exploring different avenues and opportunities, the firm decided on an online lead solution and did A/B testing with Realtor.com, their website, Facebook and Zillow Group. For the Premier Broker program, they built an eTeam composed of sales associates with one to three years of experience. They took those sales professionals who wanted to be involved in the eTeam and put them on the Zillow Group training platform to develop standards and expectations. Parker shared, "Everyone is trying to solve the lead conversion problem. Realtor.com has FiveStreet, and Zillow Group has



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its Concierge Service. Lead generation was the game, but it is all about conversion. Conversions count, not the number of leads.”

Higher lead conversion rates cannot occur without timely and consistent response rates at the beginning stages of the home-buying or home-selling process. “Greg Schwartz, chief business officer of Zillow Group, shared that leads transferred by the company’s Concierge service have a 250% higher connection rate when transferred to Premier Broker advertisers, than when transferred to an individual agent.” Increasing connection to the shopper, conversion rate to the agent and overall ROI to the broker.

Facilitating better response rates is a singularly focused goal to improve the customer experience. The byproduct of that goal is warmer leads that are more likely to engage and convert. For some sales associates, this tool isn’t necessary given their systems, skillset or comfort level. For others, such as newer sales associates, this service is an accelerator in building a database of active clients.

Eddie Berenbaum, CEO of CENTURY 21 Redwood Realty with offices in Washington, D.C., Virginia and Maryland, shared that Zillow Group leads are somewhat easier to work with than those generated directly by the company. He notes that (the Zillow Group lead buyers and sellers) seem to be further along in the process of buying or selling than leads received from other lead sources because of the initial contact made by the Concierge Service.

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PAIN POINT: NO CENTRAL HUB FOR LEAD OPPORTUNITIES

Brokerages are no longer the primary starting point of a home search; thus, brokerages are no longer the central hub for lead opportunities. A consumer doesn't need to call a firm or walk through the doors to begin their search. All they need is internet access through their phone, tablet, laptop or desktop. An online lead strategy enables a brokerage to connect with potential customers and reassume its role as a lead provider to its agents.

Carter notes that a relationship with a vendor can be beneficial because the industry is likely to become more reliant on third-party vendors than in the past, not less. "The broker's position in the industry has changed a lot over the last 25 years. Zillow Group allows us to be a broker again, providing our agents with leads."

A brokerage's ability to be a consistent lead source is particularly important in jump-starting the careers of newer sales

associates. Mike Balsitis, principal of Bellabay Home Team, Caledonia, Mich., said that his firm uses Premier Broker primarily for new agents. Using a 30-day onboarding process, Bellabay's goal is to provide the agent with one lead per day. So far, they average about 25 leads per participating sales associate per month.

Balsitis reiterated that the focus is on training new sales associates on how to be great agents and how to service online customers "the right way" from the start. Part of doing things the "right way," according to Balsitis, is following the systems put in place within the Premier Broker platform. He finds that nearly 89 percent of new sales associates fail within their first five years in the business in Michigan and that nearly 70 percent of those sales associates drop out of the business within the first year. Bellabay Home Team is investing in creating successful agents and has grown from 55 to 100 sales associates in the past year.



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Parker shared that John Greene Realtors is located in the western suburbs of Chicago, and the area faces a similar flameout rate. Parker uses Zillow Group's Premier Broker platform to train sales associates on how to use the included CRM system and to provide intensive training on how to better communicate and connect with customers. He accomplishes this by listening to the calls between the agents and the customers. Parker particularly likes the ability to listen to calls because, "You can't always tell why people are successful by the numbers." Parker incorporates the successes and failures from the calls into his training. For instance, Parker learned that two critical pieces of phone skills are tone and inflection. He noted that the longer a call takes, the more likely the agent is to convert the lead.

Parker said, "We measure our new agents against the market, and ours are outperforming others in our market by a factor of six times in terms of closed

business. Having Zillow Group as a partner helps us reinforce our coaching principle, which is that each customer is unique with different priorities and needs. The combination of our selection and training process and the Zillow Group relationship is already a great success for us."

To ensure that lead opportunities are not squandered, the Premier Broker program's policy is to not provide new leads when current leads are not properly managed. Both Balsitis and Parker noted that this strategy delivers real-world experience to their new sales associates, who are under close supervision and held accountable from both their brokerage and Zillow Group business consultant. "It sets up a win-win for the customer, our firm and for Zillow Group," said Balsitis.

We use Premier Broker primarily for new agents. We have a 30-day onboarding process and our goal is to provide the agent with a lead a day."

– Mike Balsitis, Bellabay Home Team

A photograph of a family (father, mother, and two children) in a modern kitchen, and a woman in a yellow top holding a tablet, standing in a doorway. The image is split diagonally with a yellow overlay on the right side.

PAIN POINT: LACK OF AGENT ACCOUNTABILITY

Tracking progress in any platform is near impossible without user accountability. Premier Broker requires principals and sales associates to actively operate in the Zillow Group system to remain eligible for leads. Watson Realty ERA's Managing Broker, Bill Redmond, shared that "accountability is the best part of the platform, followed by ease of use. (It's an) extremely user-friendly system."

In 190 days on the program, Watson Realty ERA attributes seven closed sales, two pending transactions and one active listing to the Premier Broker program. Redmond noted that the results-driven accountability of the program combined with transparency between Watson Realty ERA's eTeam members creates a competitive environment that is great for business.

Brokerage and agent accountability is managed and analyzed by a dedicated

Zillow Group account executive. More like coaches, these executives analyze the productivity of the leads and the agents working them and share their insights to drive team performance with the principal. The goal is to give the principal the information he or she needs to adjust behaviors to drive conversion and maximize the benefits of the system. Balsitis shared that he spoke with his account executive biweekly. Along with analyzing the productivity of the leads and the agents working them, the coach helped him target other zip codes based on opportunities for favorable ROI.

Berenbaum of CENTURY 21 Redwood said, "We've worked with online leads for years and believe we have a good system for servicing these kinds of customers. The Zillow Group Premier Broker program enhances what we've done, and we have learned to become more efficient (in converting leads) with their assistance."

According to Balsitis, the amount of time the Premier Broker program saves him in tracking performance is immeasurable. "I have someone looking at the numbers the way that I would look at them. I couldn't put a number of how much time it saves me. It's a lifesaver to have that managed." Berenbaum added that they have found Zillow Group's insight into online consumers to be extremely valuable in making them better in this segment of the market.

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– Scott Parker, John Greene Realtors

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CONCLUSION

Each of the firms profiled had prior experience working with online leads, including leads from Zillow Group, Realtor.com, Facebook and others. It is clear they are working to attain profitable relationships, not only with Zillow Group but also with the online consumer. The firms interviewed said that Zillow Group is invested in the consumer experience. As Parker said, “We both work not to solely generate more leads but to increase our capture rates and (improve) customer service.” Berenbaum shared, “Zillow Group is willing to listen and learn from us as much as they are willing to share their own experience and knowledge with us.”

Some brokers remain skeptical of Zillow Group being pro-broker or pro-agent. However, these brokers believe the company is, and will be, a part of the future fabric of the housing industry for years to come. They go on to say that

resisting a partnership is not a reasonable strategy for the future of their business.

Carter stated that Zillow Group’s investment in the digital space is a benefit to the real estate industry. He sees them as constantly self-auditing and making improvements to their services and products. As a longtime broker-owner, Carter says that he sees Zillow Group not as anti-industry but as pro-consumer.



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