

Service for Life
(The “New” Real Estate Motto)
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Introduction

The one thing that stands out with most top producing real estate agents is their inherent sense of service. “They have a servant’s heart and place their buyer’s or seller’s real estate experience above all else”. (Keller) It is the heart and soul of real estate professionals because they are always thinking service. This service approach exists at three levels. First, they know the underlying purpose of the real estate profession. Second, they have a clear sense on how to deliver this purpose. And third, they have a continual drive to always put their client’s needs above all else. (Keller)

Most top producing real estate agents have a clear sense of purpose and can articulate this purpose to customers and clients. For instance, sellers want to net the most money from the sale of their property and buyers want to find the right home at the best price with the fewest problems associated with the sale. It is one thing to understand your sense of purpose and yet another to translate this purpose into a reason to be hired because of the services you provide. This is what is traditionally called the agent’s “value proposition”. This service will detail all of the benefits the seller and buyer will receive.

Very few real estate agents offer the third level of performance service which is called the fiduciary commitment. This level of service goes beyond their purpose and value proposition to place their client’s interest ahead of the interest of all others including their own. This level of commitment goes way beyond the technical issues of agency representation required by their profession. This fiduciary commitment is different from the functionary representation provided

by most agents. This is not to say that most agents do not know what their fiduciary obligations are, however, the top producing agents take this obligation to the next level. (Keller)

If this level of service is becoming the norm in the real estate industry, what is the driving force behind these changes? Did these changes come about as a direct result of changing internal structures or external changes demanded from a more “savvy” real estate consumer? Or, can we assume both internal and external forces are responsible for the “facelift” in the real estate profession?

External Influences **Client-Centric**

There are many external forces exerting pressure on the real estate industry. The traditional commission sales office is being challenged by technological advancements because the consumer is now empowered with the Internet and can even access the protected realtors Multiple Listing Service (MLS) properties to search for current listings. www.realtor.com In addition, dot.com companies provide a wide array of discounted services and unbundled packages. Online companies like www.erealty.com , www.cyberhomes.com , and www.ziprealty.com are drawing consumers online by providing cost-effective online alternatives. Franchise discounters such as “Assist-2-Sell” www.buyassist2sell.com and “Help-U-Sell” www.helpusell.com are offering sellers alternatives to the standard real estate commission fee structure. (These franchises are fast movers in major metropolitan cities) Consumers are savvier and demand better services for their dollars. Therefore, most real estate professionals are faced with the challenge of justifying their services and prices. (Garton-Good)

Another area reflective of external influence is the so called “Image Marketing” which is no longer the accepted method to attract customers in the real estate market. Although this technique was laid to rest in the 1990’s, many real estate agents still employ this tactic. Needless

to say, in this new era of real estate marketing it is taken for granted that real estate agents will have their own web page to advertise properties and to generate leads.

www.augustarealestateconsultants.com The days of agents publishing information web pages to sell themselves is dead because our new consumers are not interested in what we have accomplished in the past—only how we can help them get what they want now. All they care about is the “WIIFM” principle—“What’s in it for me?” Telling a customer how great we are (Noted by all of the initials after our name) and trying to convince them to work with us because we are the “true professional” has no value anymore to real estate buyers and sellers. Besides, when we talk about ourselves we are not building a strong relationship which is the key to obtaining trust with our clients. (Ross)

The consumer can now educate itself on many aspects of the business without the aid of a salesperson. Therefore, service beyond the consumer’s expertise is what attracts these customers to spend money. Most agents spend the majority of their time servicing the seller and driving buyers around to look at homes. “This is what is perceived to be what we get paid for when in fact, the negotiating and advocacy services are really our specialty and we should charge for them”. (Garton-Good)

Internal Influences **The Team Approach**

Today, we live in a society which favors the functional teams to the outdated military style leadership hierarchy. Therefore, it is not surprising the preferred method of conducting business in the “new” real estate practice is to organize your sales staff into teams to harness the power of each individual salesperson’s strengths. After all, the days of the salesperson managing the gamut of all their sales transactions from the marketing to the contract then financing and

finally to closing is gone. Self-managed teams work to ensure the goals of the organization are accomplished. (Keller)

Now team members specialize as either “listing agents”, “sales agents” or support staff who handle documentation for financing and closing. These teams are managed by “team leaders” who work to promote the team’s success. The consumer is better served by a team than an individual agent. Of course the commission split is still similar to that of traditional offices. The only difference is this type of arrangement allows the real estate broker to contract with either the seller to sell his home or the buyer to provide their housing needs. The term “buyer’s agent” is a recent phenomenon brought about by the insistence that buyers also be represented in the real estate transaction.

Many real estate offices will realize the need to specialize in order to capture a “niche” market instead of trying to be full service in all aspects of the business. More specialization within the local real estate office will become the norm where agents just take a slice of the pie and concentrate on certain services. Professional relationships will continue to develop with other parties involved in the purchase of real estate such as attorneys, insurance agents, mortgage brokers, inspectors, and real estate appraisers whereby, in certain cases, strategic alliances will form to complement each other’s business.

Conclusion

Extraordinary service and quality is the new buzz words marketed in the real estate industry. Both external and internal influences have forced changes in the way we conduct business. Technology is the largest contributor to this change. No longer can we conduct business the old fashion way and expect the same production. Today, most agents are forced to embrace technology and a higher level of service than previously dedicated. The new consumer

is better equipped with information through the use of the Internet and therefore, real estate professionals have to justify their services in order to attract new business.

Not only has the real estate industry been affected by the external changes but internal factors such as the new organizational make-up of the real estate office has changed the way we handle both buyers and sellers. Specialization is now the key to quality service for the consumer. Teams are formed to better serve the demanding needs of clients with members dividing the duties which, at one time, belonged solely to a single agent.

Works Cited

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