

## The Space that Launched a Thousand Flips

### Why Syndication?

### Why Now?

### Why You?

Online real estate syndication is officially big business. It's not just Point2 anymore; every real estate company, board and brokerage seems to have some hand in listing syndication - they're sending listings out, pulling listings in, selling listing advertising, buying listing advertising, or in some way involved, or at the very least interested, in the process of listing syndication. That's all well and good - there have been plenty of "next big things" in the real estate industry - but what is it about listing syndication that should attract attention from you, as a real estate professional working to develop your business?

Why do you need to be syndicating your listings? On the surface it's a simple numbers game.

This is tied quite closely to market conditions (although I argue that syndication is equally important in hot and cool markets). When you've got a potential pool of, say, 250 matched and qualified buyers for a listing, on the surface it seems silly to bother with syndication and widespread exposure - that listing is going to get sold.

But in a tighter market, when you're looking at more like five matched buyers for a listing for example (and two of them have FICO scores that look like batting averages) you **absolutely must reach all five**. Three of them will probably come across your listing via your MLS, but when you absolutely must hit all five to have a reasonable expectation of moving that property, you need to catch the other two - one of whom is probably like me and starting (not augmenting, but starting) my search at Point2 Homes, at Google, at Yahoo, or at a "long tail" local site.

Now - in a hot market why would you bother? In a market such as we've been enjoying in Canada this year, we've had the sort of situation in which listings are posted with an open house and a scheduled Presentation of Offers. Properties are receiving multiple qualified offers with practically no advertising.

So in that case, what's the point of syndicating a listing out to Yahoo and doing the work to get it on Craigslist? Simple: to get more listings.

As you well know, listings are valuable to you because they (hopefully) get sold and you get a commission, but they're especially valuable because they help you get more listings. So a guy like me, when it comes time to sell my house, I'm going to go with the REALTOR® who gets me on Google, on Yahoo, on Point2 Homes, and who takes the time to get me on Craigslist.

Now, there are a few other key components here.

Just syndicating and nothing more - pushing a listing out all over the place and assuming that the phone is going to ring . . . and then if it does, assuming that it rang because of that syndication-based exposure . . . is sort of like firing a rifle into the sky and waiting for dinner to fall onto your plate.

So the next key component of syndication is analytics, an element that quite distinctly separates syndication providers, because it's something that is overlooked by many. It is important to ensure that once your listings have been exported, that you're receiving good information back about how those listings are performing.

I think the reason that this emphasis on quality analytics is often overlooked stems from the fact that, for most syndication, you're not paying. If you were to pay for an online advertisement, you would expect to know precisely how many visits that page was receiving, how many people clicked on your ad, and what your per-visitor or per-click cost was. In fact it's quite likely that you wouldn't pay for the ad unless you were provided with this information.

So should it be with "free" syndication. You may not be directly paying to have your listings appear on Trulia, but you are in fact paying with your data - the listing data which you spent time and money to acquire, and time and money to promote - you are "loaning" this asset to the destination website, and as such, you should expect as much in return as you would if you were paying directly.

Not only will good analytics help you focus your marketing efforts, and not only will they help you assure that your listing data is actually winding up in the places that your syndication provider says it's winding up - there's a third benefit to having good quality analytics, and that is their ability to help you get price adjustments from homeowners.

Realistic pricing is one of the absolutely most essential aspects of selling homes, as you are well aware, but the price discussion, in my experience, tends to be the most sensitive, and the most difficult, both for the seller and for his or her professional representative. One of the reasons for that is because sellers are constantly worried - and count me among them - about getting too little for their home and leaving money "on the table."

The result? Homes that are overpriced, and stagnate on the market.

However, armed with a solid set of analytics over syndicated listings, you can then go to the seller, log in and show him or her the back end of the syndication system, and say "take a look at this, Jimmy Overpriced, we've had 1,500 detailed views on Craigslist, a thousand on Yahoo, a few hundred click-throughs from Google, and zero offers - perhaps it is time to do a price reduction? Perhaps it is time to relocate the pet rat colony to the garage? Perhaps I was right when I suggested that yes, buyers would in fact notice the gallon of paint you spilled on the bathroom floor?"

So it's essential that you use syndication to get your listings in front of as many buyers and sellers as possible, and it's essential to get good quality analytics flowing back in from those listings, but there's an important third element to syndication: the listings themselves.

The Rich Listing philosophy that we at Point2 have been preaching for years is a very simple one - in order to expect a commensurately attractive result, the listings themselves must be attractive.

Consumers are expecting more from online listings - and from online content in general - and it's quite simple: better content generates better results.

This is not purely speculative, either. Point2 conducted a study in 2006, and then again in 2008, to determine whether there was an actual correlation between listing richness and listing effectiveness. The study took a sample size of 100,000 listings, and plotted how many photos they had against how many views they received and how many prospects they generated, and the results surprised even us - we found a nearly-linear relationship existed between number of photos and views and leads generated by a particular listing, other things being equal.

Rich listings with loads of information and a whole bundle of high-quality photographs are more attractive to buyers - and again, on the other side, they become powerful marketing tools to help acquire more listings. If you can show potential seller clients that you're going to give their

home's marketing the Premium Treatment, and really pull out all of the stops for them, you're more likely to win them as clients.

The basics of syndication are pretty simple. Make good listings. Put them in front of lots of potential buyers. Make sure they're performing well.

Fortunately, it gets easier and more affordable to do so by the day.

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