

REALTIME ONLINE REAL ESTATE

Jonathan Horsman

Western Governors University

E-Business

QRT2 Task 1

QRT2

Course Mentor – Anthony Duran

3/5/2013

Abstract

As society continues to advance in technology, online communications, social media and other web marketing tools are becoming more accessible to the general public. However, little attention have been given to the potential that might result from a fully integrated merchantable real estate website. Fortunately, modern society is demanding quicker results in their purchases even when purchasing a new home. This study will show how an online real estate company can revolutionize the real estate industry with a “one stop shop” feature to be expanded onto the current REALTIME Online Real Estate website.

A1. Viability of the Business

Realtime Online Real Estate is an International Real Estate business, which started in 1903. The company was built upon the idea of having Real Estate Agents representing their clients/customers throughout the Selling and Buying Process. Over the years, the company's success relied on the Real Estate Agent's successful transactions.

a Here are the following reasons for making this change to the website:

- 1 Customers will have the opportunity to control the whole transaction process without the need for a liaison or a real estate agent.
- 2 Company can save money since they will not have to pay commission to their agents for the transaction.
- 3 Company can eliminate some of the operational cost with Bricks & Mortar by going online without having to manage offices for their agents.

b The internet is a prime location for any business today. Many people are doing almost all of their shopping online. With the added popularity of hand-held devices, customers can purchase online easily at their convenience. Convenience, access, and selection are what customers are looking for.

More and more people are choosing to shop online than ever before. For example, the BBC recently reported that online sales for clothing have increased by one third over the past four years, with the UK spending over

322 million hours shopping online just last month. This is an increase of online sales by three per cent in the last 12 months alone (Lovell, 2012).

- c There are many advantages and a couple of disadvantages for going online. This online business's success and viability are based on the following. Firstly, profit margins increase for the company. At the same time, it is decreased for the customer by eliminating the Real Estate agent. Secondly, company saves money on overhead expenses and office space. Thirdly, customers can have access to the complete inventory of available properties and have online total control of the whole transaction. Fourthly, Customers can increase the speed of the transaction and the company gets their flat fees in a quicker time frame.

There are some challenges of going online with this process. Firstly, other real estate agents with other companies are going to want to get their commission split for their work in the traditional transaction. The solution is still to have the Seller or Buyer to pay for retaining of their own real estate agent. The Online customer only pays for the flat fee for the transaction. The only other challenge will be for the customer to be adept enough to complete the basic online steps and tasks required for the transaction.

A2. Current Online Competitor Assessment

- a In every kind of business, there is usually going to be some competition. Most competitors have a distinct market segment that they pursue. Their business models are unique which is specific to their niche. In order for this online business to be successful in this competitive segment, it must cater to the demands

of the clients. The clients demands are going to be both monetarily and ease of transaction.

Here is a sample table comparing real estate transaction prices and the competitors:

	Transaction Fee to the Client	Buy Property Online	Integrated Services: Title, Mortgage, Insurance
REALTIME REAL ESTATE	Flat Transaction Fee - \$999	Yes – Click, Buy, Print	Yes – with Access to Ancillary Services
Keller Williams Real Estate	3.5% to broker/agent on the total price of the property	No	Gives a list of Service Numbers
Kentwood Real Estate	3.5% on the total price of the property	No	Agent supplies their preferred vendors
ForSaleByOwner.com	Fee to post on the MLS and Fees Listing Reports	No	No support
Re/Max	3.5% to broker/agent on the total price of the property	No	Agent supplies their preferred vendors
RedFin	Flat fee goes to the Broker	No	Agent supplies their preferred vendors

The competitors can even be deduced further with the chart below. The competitors are graded from 1-10 with 10 being the best in the industry versus RealTime Real Estate.

	Keller Williams	Kentwood	ForSaleByOwner	Re/Max	RedFin
Affordability	5	1	10	4	5
Customer Service	8	9	1	6	2
Time Frame of Transactions	8	2	Not Available	8	3
Ease of Property Purchase	6	9	3	7	4
Quantity of Inventory	5	2	1	10	9
Online Presence	9	4	1	10	5

Re/Max and Keller Williams are online giants in the Real Estate Industry. Since they have such an enormous presence and powerful customer service, it would be prudent to compete with them in an area that they are their weakest. Target Marketing by Affordability with online efficiency and Ease of Property Purchase.

- b The top five competitor’s websites contain similar products but are remarkably different in their approach to deliver their services. Re/Max is about International Brand recognition and global Brand Identification while Kentwood is happy to be the local boutique known only by the community.

Social Media is the hallmark of every one of these businesses.

Facebook has been the most popular source for integrating the connection between people and their real estate company website. Every Real Estate company has some presence on facebook. Companies use it, to quickly network to friends and family. Twitter has been a tool, to quickly inform (tweet) the public about instant updates and changes in the business. Pinterest has quickly become the focus of segmented marketing.

Ecommerce has not been able to infiltrate the Real Estate Industry at this time. After careful review, NAR(National Association of Realtors) is willing to fight the change in the industry. They are afraid that Real Estate will become an online industry like the Travel and Insurance industry.

CRM (customer relationship management) metrics can be put into place to record and keep copies of transactions. Automated process of email marketing campaigns, social media posts and direct mail are all still effective for the TOMA (top of mind awareness).

Currently in Real Estate, agents are the only one tracking and recording every stage in the sale process. They monitor their own prospective clients and are responsible for initial contact to the closing/settlement of the property.

International Consideration can work on a scalable platform. Only a couple of companies like Keller Williams and Re/Max have scaled their online presence internationally.

A3. Online Marketing Suggestions/Strategies

- a The online marketing strategy is to simplify and streamline the process in which a person can purchase a home. Our customer base and demographics are geared towards any adult individual that can use a computer. Simplicity, so even the novice computer user can purchase a home. Income will not be an issue. Since there will be an integrated mortgage approval system, clients can discreetly see what they are qualified to purchase. Today, Customers feel they can get a better deal by buying online instead of going into a store.

Online shopping has become more and more popular over the last ten years or so. Although there are some who would never get involved with such newfangled technology, many more people are turning to the internet for their shopping needs. It can provide many benefits like not having to leave your home, saving money on gas, and shipping gifts directly to a person rather than having to go to the post office (Taff)

Real estate companies today requires the customer to go into a fixed (bricks & mortar) location. Currently, customers must physically go into a real estate office for service.

- b Here are the competitive advantages for this website. Firstly is the comparative advantage. The comparative advantage would include a lower cost structure of commissioned agents and less need for bricks & mortar, the speed of the transaction

online and expanded sphere of purchases that would not require the purchaser to be physically present for the transaction. Secondly is the differential advantage. The customers will view the purchase as quick and easy compared to the traditional purchase which would require an agent and brokerage representation. There is a well-defined target audience, and it is defined by the marketing mix strategy. These distinct customers are seeking available listings. They are looking for properties which are local, national and international. While undifferentiated marketing (the traditional mass marketing) has focused on television, newspapers and radio to the broad audience, this site will need to be targeted to the online, web based users. Concentrated marketing will be particularly effective since this company is starting small with limited resources. Niche marketing should be overlooked because this site will certainly get the attention of larger competitors.

- c There are four online strategies that can be used to let the customers and non-customers know about the changes to the website.

First, implement an Email Marketing Program. This strategy will retain clients. When a client begins to search the site, it will require a valid email address for all communications in the purchase or sale of a home. The email address will allow the company to contact the client about new listings, additional services, price reductions and even company announcements about innovative improvements to the site.

Second, utilize Social Media Marketing. Social Media will allow customers and prospective clients to interact and participate in the business growth.

Social media (Twitter, Pinterest and Facebook) will network with clients and

their sphere of influence (family and friends). Creating a monitored profile page, and a “virtual storefront” will drive traffic back to the website.

Third, use of Pay-Per-Click (PPC) Advertising. This strategy will direct traffic to the website. PPC “display” advertisements commonly called “banner” ads will show up on other websites and search engines results.

Google AdWords and Amazon will be used since they have the largest customer following. Google and Amazon both offer free initial advertisements to show the ROI by using their service. Even though there is a cost associated with purchasing PPC, the benefits far outweigh the money spent for the advertising.

Fourth, capitalize on Search Engine Optimization (SEO). This strategy of increasing visibility on the web can be accomplished by un-paid (“organic”) content and with HTML coding which has backlinks and inbound links. More information about SEO utilization will be described in the next section.

A4. Search Engine Considerations & Optimization Strategies

a The Importance of SEO.

Every business with a website should make search engine optimization — trying to get your site as high up as possible on Google and Bing search-results pages — a part of their growth strategy (Admin, 2010).

b The six basic recommendations and strategies of a powerful SEO for this online business.

Strategy 1: Use of Product Images. Many consumers are not only looking at web results, but are they are also looking at the “image” results. Images

with relevant file names with added rich keyword descriptions called (alt-tags) are just as essential as the content on the webpage. Any person searching for images will find the image that they are looking plus they will see the website page that it is rendered. The company will have the benefit of extra advertising when someone is just looking for an image that can be found on the company website.

Strategy 2: Use of Social Media and Updated Content. Search Engines look for newer and richer content. Social Media is constantly updated with new content so they will organically climb the search results ranks extraordinarily quickly. Integrating this website into social networking sites will piggyback on the success of the social networking site.

Updating the social networking site allows customers to see new listings that will drive the customers back to the company website for more information about the listing.

Strategy 3: Use of Search-friendly URLs. It is noteworthy the URL has clear keywords in the URLs. Search engines can identify the product/listing. If the name of the product/listing is in the URL.

Strategy 4: Use of Meta Tags. Meta tags are used by search engines to determine what should be shown in their search results. Even though search engines now index pages based on rich content, meta tags can still be useful in determining which page in the site that will be shown in the results.

Strategy 5: Correct usage of Keywords. Keywords need to be placed throughout every aspect of the site. These keywords must be relevant and placed in areas such as; title tag, page header, URLs, content, and image names.

Strategy 6: Monitor Search Standings and Analytics. Tracking the activity of the site can give direction and focus to what the public has been viewing. CuteRank.net, Rankradar.com and Alexa.com are excellent sites for counting visitors. The sites can also show the keywords they used to find the website. Google Analytics can give detail results of the total number of visitors and the exact pages that were viewed the most.

A5. Social Media Integration

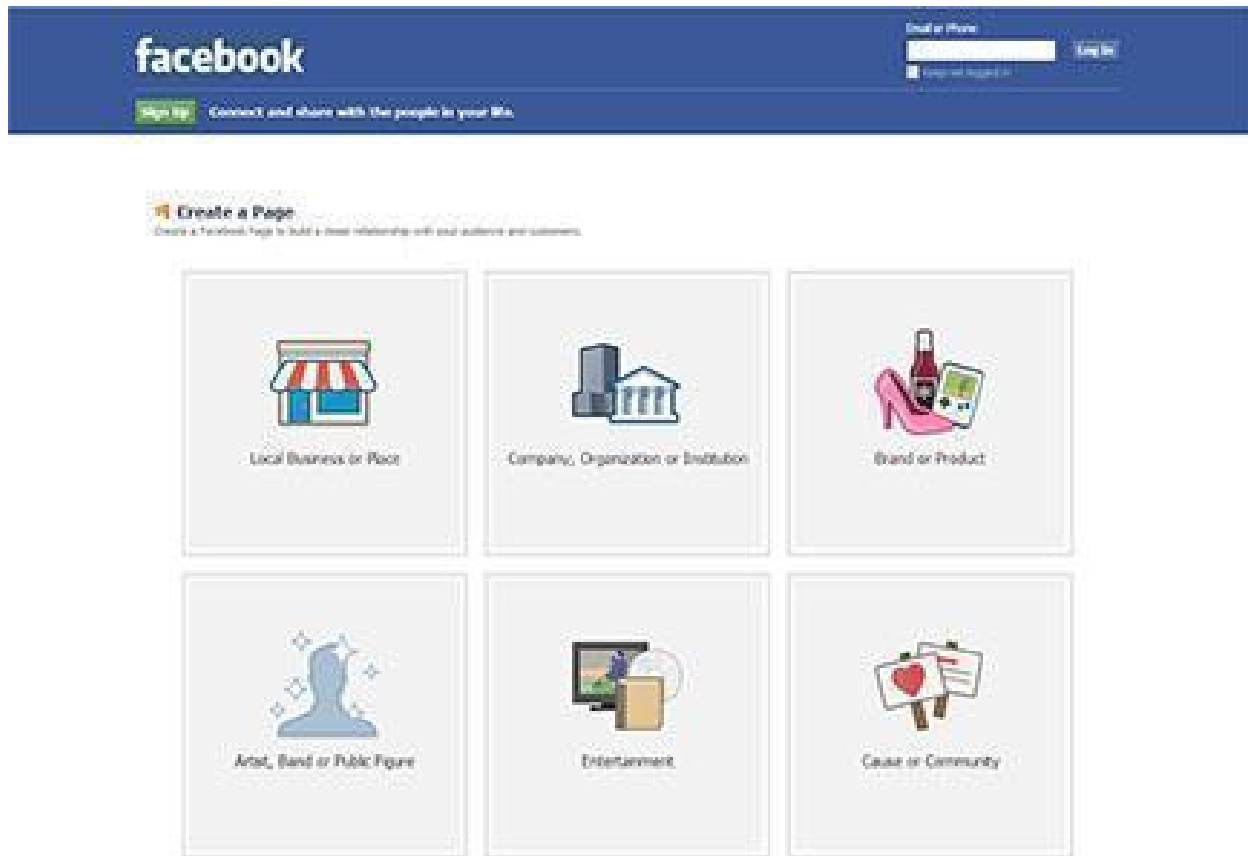
Social media has expanded from connecting with old friends and distant relatives. It opens a whole new untouched customer demographic that involves everyone. Businesses are noticing that traditional mass advertising in the media of radio, television and newspaper has lost its impact. Today's businesses know that they need to be where the people are communicating and connecting.

Small businesses have a lot to gain by integrating social media websites into their general Web presence. Not only do social media sites like Facebook and Twitter serve as general hangouts, but they also provide opportunities to spread your message as a business, to connect with your target audience better and to get to know your fellow small business owners more personally. Because social media has no hours of business, you can interact and connect at any time from anywhere with an Internet connection (Poland).

Facebook and Twitter are the most popular sites with the largest number of unique visitors per month. Since these two sites are the most popular sites, it is recommended to utilize both of them.

Facebook is quickly becoming the largest market for online retailers. Facebook popularity continues to expand. They have taken steps to help businesses connect, interact and share information with their members.

As a result, Facebook has created a Facebook Fan Page for online stores. This will allow online stores to provide information about their brand and products. For the E-commerce Facebook integration to work, members will have to become “fans” of the online store. As more fans join the online store, the sphere of influence increases for the business. To encourage more members to become fans, Facebook has also created interactive options such as offering of coupons, sweepstakes, contests and other tips on how fans can recruit other fans to the business. To create a Facebook fan page, click on this link: <http://www.facebook.com/pages/create.php>. The Introduction page will look like this:



Once the fan page has been created, the site will present many features on how to promote the business. Many tabs will show links to build the audience, invite friends, and even invite Email contacts. Another tab, the *Wall* is an area for fans to leave comments about the business and share their experience about the business. The *Info* shows pertinent information about the business. The *Notes* are where the latest news about the business is shared. The FBML area is a place to add customized html into the page. The *Photos* section allows the uploading of unlimited photos that can be shared with fans. The *Discussions* area is where the fans are free to express their thoughts about the business, listings and ideas on how to improve the business. The *Videos* can be uploaded, and fans can share theirs too. The *Events* is a place to mention about special

promotions and events. The *Reviews* allow fans to rate the service and experience with the company. The *Others* section is a resource for adding other third party applications.

Additional steps would include advertising and direct selling in Facebook. It is recommended that the company builds an exceptionally strong fan base before implementing these tactics. The direct selling integration of listings should be added to the fan page without being too apparent. Facebook advertising should build trust and value to the new followers.



Twitter is another excellent social media site that combines online social networking service and microblogging. Users can send and read short text-based messages which they call “tweets”. Massive Popularity of this site continues to grow. The main reason for the growth in the number of users is because Twitters has created

apps for mobile devices. Twitter understands the fast paced society and its need for quick communication. Twitter has created Twitter for Business. First thing to do is to create a twitter account and join the twitter community <https://twitter.com/> and add all the profile information about the company. Secondly, set up a business account by clicking on this link - <https://business.twitter.com/>. Twitter for Business can give instructions for every step to promote the business. Thirdly, find followers and add people to the company's sphere. A quick way to add many followers is to use the search. Searching with words that are related to the business will bring many people into your sphere. Finally, install the Twitter for Business widgets in the website so people can follow the website.



A6. Online Customer Relationship Management

Ultimately, customers dictate the success and failure of any company. Customer satisfaction with the product, service and support creates a total experience which will keep them coming back to this site.

a Every site needs an outbound strategy for keeping a connection with the customers. Customers need to create an account with the store before they can make a purchase. This account information is not only for communications in the purchase but can be used for follow-up e-mail campaigns. Email campaigns and marketing mailing can be used with the online program called Constant Contact - www.constantcontact.com/.

Integrate a “Contact Us” widget on the website. It will be designed so customers can contact and talk with the owner and support team in regards to feedback, problems and questions with the ordering process.

Once the customer gets to the website, the following information is essential to the company: Full Name, Address, Phone Number, email address and any comments. The site will capture their contact information as well as open a chat window to a support person to answer any of the questions.

CRM success for this website will have the four basic requirements

- 1 Structure and Open Communications. All departments (Real Estate, Mortgage, Title, Insurance) will be structured to share customers information without each department acting as separate entities. This will reduce the required duplication for each department. All information will be shared on the site and not compiled from different departments.

- 2 Effective Process. When other departments start interacting with each other. Naturally, they will discover new ways to become more efficient. Limited Shared information so each department can complete their component of the listing process.
 - 3 Culture and Listening. All employees will notice a fluid definition of their job description. All of the functions will be web based, as a result, closer attention will be to the procedure and to the attitude of the company. No specific and limited job descriptions exist. Every employee is encouraged to participate with their strengths in the group. Communication as a group allows for collective input. This communication will allow for concerns to be addressed and corrected.
 - 4 Technology. Constant application of new technology will streamline the customer's experience. An efficient and seamless transaction will be an ever evolving process as technology improves.
- b The recommended CRM software would be Microsoft Dynamics CRM.
- <http://www.microsoft.com/en-us/dynamics/crm.aspx>. Microsoft Dynamics CRM offers the following tools that are need for a successful CRM. This CRM offers Sales support that can be synced to the whole team, Customer Care tools and training pieces for the employees, Marketing suggestions to target the marketing segment with the right message, Social media integration and Technology recommendations for operational excellence.

- C Improvement of the customer experience will require the following:
communication with the outgoing customer, social media responses for improvement,
open topic web forums for the company and reviews from the employees.

A7. E-commerce Solutions

Having a shopping cart integrated into the website would make purchasing of a home easier for the customer. The customer will just point, click, buy and print their home. Customers will have the ease of purchasing the most valuable investment of their life. Most first homebuyers do not know what to do in order to purchase a home. Many homebuyers entrust their real estate agent to protect their money and interest. When a customer orders from this website, they must go through a series of steps to get the final purchase. This E-commerce site is going to be a remarkably robust online shopping cart. It will be designed with many approval steps and procedures until completion. Many typical online shopping carts can be created using osCommerce, OpenCart, Magento and ZenCart. These are excellent open source e-commerce solutions for a small commerce site. However, this site needs international scalability and security. This site will have the same functions similar to those smaller e-commerce programs. It will be designed to manage inventory(listings), cost of products(price of the listing, mortgage, insurance, title and administration fees), email marketing campaigns, tax rates(local, state, federal) and handle the electronic transaction of the purchase. Most Smaller open source e-commerce platforms use PayPal and Google Checkout. This electronic transaction will be submitted as an earnest money deposit. The Deposit will go into an escrow account with the Title company. The Earnest Money Deposit can be paid with either PayPal or Google Checkout until the transaction is completed.

This website will have the following e-commerce features. First, inventory search of all available listings for sale (click and add to the cart). Second, securing financing by clicking on a preferred mortgage lender. Customer must fill out financial information to the lender online for the mortgage lender. Typical approval by the Mortgage company can be done in 30 minutes. Third, Selecting of a title company and local to use for the final signing of the documents. Lastly, Homeowners insurance information can be quoted from the insurance department. Most insurance companies can quickly pull a comp on the listing to determine the insurance rate.

The customer can user their email address and login into the site and see what pieces have been approved for the transaction. Prices and charges are shown with the services on the purchase order sheet for the home purchase. It will also inform the customer what other pieces are needed to make the transaction successful. Once all of the pieces are completed, the customer can hit the “Buy it now!” Button. All information is compiled and submitted to the Title company for processing. The Title company will also give the buyer a “good faith estimate” before they show up for the final closing on their new home.

A8. International Considerations

The internet has become the “way to do business today”. Most businesses are finding that the internet is the most cost-effective means of advertising and marketing. Any business on the world wide web is global in nature. The online business will reach customers worldwide with unrestricted potential for business growth. This business will be formatted to comply with the different rules, regulations and laws of other countries. Customers will still be able to purchase homes.

The listings to be sold are not offensive to any race, culture or geographic location. In fact, the ease of this site will open more opportunities for people that might have been hesitant to purchase in the past. The people of the world will someday know that owning a home can be more than just a dream.

English would be the medium of business language with the option to switch to another language if the user chooses to switch it. Google Chrome also has a built in automatic translation for other people that prefer to view it in a different language.

A9. Web Development and Maintenance Costs

a Many websites can be created cheaply and quickly using ordinary canned eCommerce sites. Some of the free sites that are commonly used are Magento, osCommerce, Opencart. These free sites are perfect for the small scale business that needs to get their product online quickly. While these types of sites have many of the functions that we will use, this site will have to be a custom built from scratch site. Professional help will be needed to handle integrating the different multiple listing service feeds, title and mortgage companies across the nation. The expansion plan will be state by state.

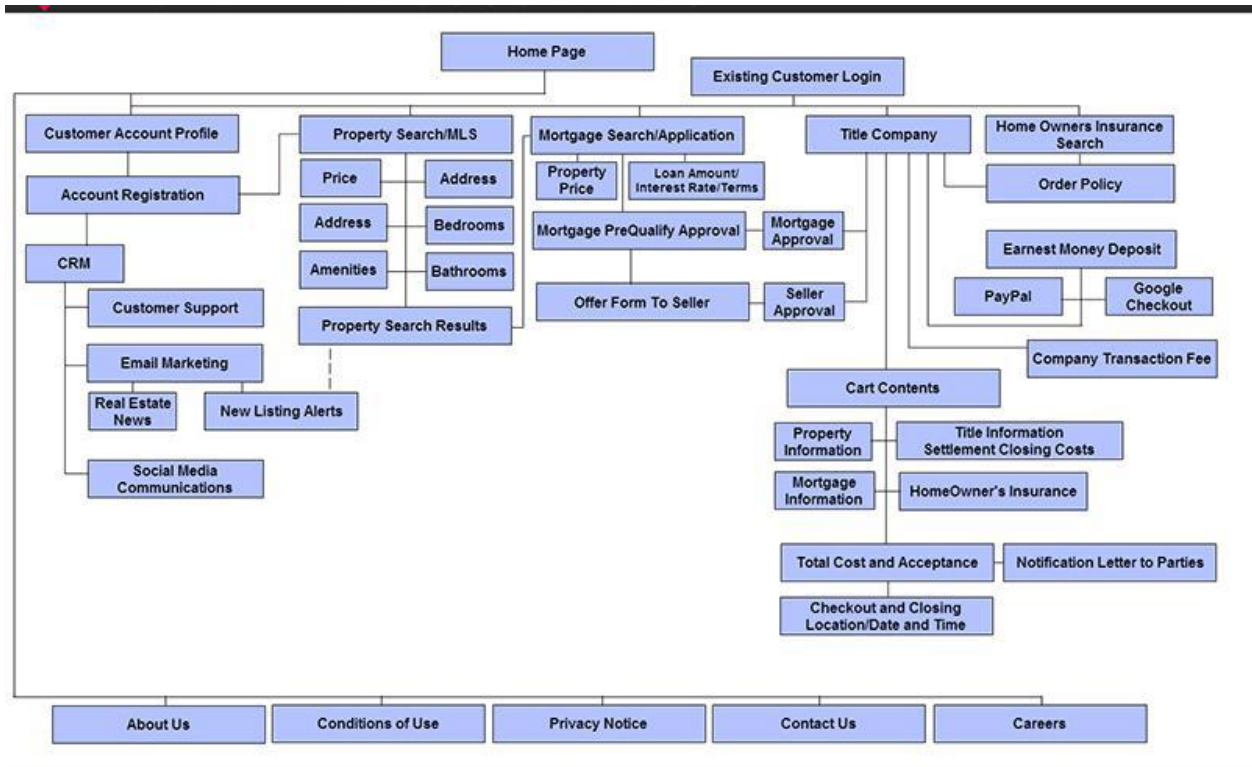
i The web company that is most competent to build this custom site is WebMediaEngineering of Boulder, Colorado. This web development company has extension experience in developing real estate sites. WebMediEngineering will use the Microsoft Dynamics CRM with the API integration for this website. Since this site will initially only be statewide, it will use only the MLS (Multiple Listing Services) for the initial State. Plans

for expansion to other states will require additional costs for services and web site integration.

- b While there are many other companies claiming they can custom build this site for a lower cost, this is the most cost effective approach for scalability and expansion capabilities. The ability to grow and adapt with the online eBusiness is essential for success. Below are the initial and recurring costs to implement this site.

REALTIME ONLINE REAL ESTATE			
	Components Type	Definition of Component	Cost
Initial Costs			
	GoDaddy.com Domain - 2 years	Purchase Domain Name - http://www.godaddy.com/	\$28.34
	WebMediaEngineering_Hosting	Site Development with 3 multi listing feeds	\$2,500
		includes integrated eCommerce/Shopping Cart	included
		POP email Service	included
		email client management interface for CRM	included
		Customer Management Interface Management Program	included
		Owner Management Interface Transaction Management Program	included
		Integrated Mortgages Services API Program	included
		Integrated Title Services API Program	included
		Integrated Insurance Services API Program	included
	Booyaha Advertising	Social media - Blogs and Social Media Marketing	\$250
	IDX feed Service	Listing service of statewide listings - Initial Set-up	\$250
	CRM Microsoft Dynamics 3.0	WorkgroupServer for 5 users	\$2,200
Recurring Costs			
	WebMediaEngineering_Hosting	Hosting Disk Space	24.95 monthly
	IDX	National Listing feeds	78.99 monthly
	CRM Microsoft Dynamics 3.0	WorkgroupServer for 5 users after 3 years	14.00 monthly
	WebpageFX	SEO services	400 monthly
	Booyaha Advertising	Social media - Blogs and Social Media Marketing	49.95 monthly
	Google Adwords	Paid Advertising (cost per click, cost per impression)	cost per click - varies

B. Website Index



C. Design Mock-ups

Home Page

RealTime Real Estate.com

Home | My Account | Property Search | Mortgage Information | Title Company Information | Homeowner's Insurance | Support

Search [] GO More Search Options

My Account Profile | Property Search | Mortgage Information | Title Company Information | Homeowner's Insurance

Buying a Home is Now as Simple as 1,2,3

Step 1: Begin Searching for your Dream Home. We have over 25,000 Homes available. Browse Homes Nationally and Internationally with our International IDX Database.

Step 2: Start the ball rolling. Follow the simple steps of gaining that dream home.

Step 3: Once all of the Steps are completed, Just CLICK Accept the terms and you will be just days away from Signing for your Brand New Home.

Let's get started.
This will be an amazing experience

Login Form

E-Mail Address
RealTime
Password

Login

Not a member yet, please Register
Forgot Password? Click Here

About Us | Conditions of Use | Privacy Notice | Contact Us | Careers

Property Search

RealTime Real Estate.com

Home | My Account | Property Search | Mortgage Information | Title Company Information | Homeowner's Insurance | Support

Search [] GO More Search Options

My Account Profile | Property Search | Mortgage Information | Title Company Information | Homeowner's Insurance

Welcome Back, Realtime!
This will be an amazing experience

Property Search

Address, City, State, Zip, Country | MLS# | Map

Address, State, Zip, Country
City
All Cities
Property Type
All
Price Range
No Min to No Max
Bedrooms
No Min to No Max
Bathrooms
No Min to No Max
 Open Houses

Other Criteria:
Acres
0+ Acres
Age Of Property
Age of Property
Finished Square Feet
Finished Square Feet

Search Type
 Residential Lots & Land Farm Commercial Rental

Location Type
 Ocean Front Ocean Block Bayside

Search Now

About Us | Conditions of Use | Privacy Notice | Contact Us | Careers

Conditions of Use Page

The screenshot shows the RealTime Real Estate.com website. The browser address bar displays <https://www.RealTimeRealEstate.com>. The website header includes the RealTime Real Estate.com logo, a navigation menu with links for Home, My Account, Property Search, Mortgage Information, Title Company Information, Homeowner's Insurance, and Support, and a search bar with a GO button and More Search Options link. Below the header, there are links for My Account Profile, Property Search, Mortgage Information, Title Company Information, and Homeowner's Insurance. A green message reads "Welcome Back, Realtime! This will be an amazing experience". The main content area is titled "Conditions of Use" and contains the following text:

Copyright, the Content, organization, graphics, design, compilation, magnetic translation, digital conversion, and other matters related to the site are protected under applicable copyrights, trademarks, registered trademarks and other proprietary (including but not limited to intellectual property) rights. The copying, redistribution, use or publication by you of any such matters or any part of this site is strictly prohibited. You do not acquire ownership rights to any content, document or other materials viewed through the site. The posting of information or materials on this site does not constitute a waiver of any right in such information and materials.

Limited Right to Use: The viewing, printing or downloading any content, graphic, form or document from this site grants you only limited, nonexclusive license for use solely by you for our own personal use and not for republication, distribution, assignment, sublicense, sale, preparation of derivative works or other use. No part of any content, form or document may be reproduced in any form or incorporated into any information retrieval system, electronic or mechanical, other than for your personal use (but not for resale or redistribution).

At the bottom of the page, there is a navigation bar with links for About Us, Conditions of Use, Privacy Notice, Contact Us, and Careers.

D. References

- Admin. (2010, December 8). *10 Basic SEO Tips to Get You Started*. Retrieved from Seriously Social.co: <http://www.seriouslysocial.co/10-basic-seo-tips-to-get-you-started/>
- Lovell, M. (2012, January 10). *E-commerce is key in today's business world*. Retrieved from Financial Mail Women's Forum: <http://www.fmwf.com/media-type/news/2012/01/e-commerce-is-key-in-todays-business-world/>
- Poland, A. (n.d.). *The Importance of Integrating Social Media and Small Business*. Retrieved from Chron: <http://smallbusiness.chron.com/importance-integrating-social-media-small-business-28772.html>
- Taff, L. (n.d.). *Shopping Online Vs. Shopping At Brick and Mortar Stores*. Retrieved from WAHM Articles: <http://www.wahm-articles.com/Article/Shopping-Online-Vs--Shopping-At-Brick-and-Mortar-Stores/8650>

