KELLER CENTER RESEARCH REPORT

KELLER CENTER RESEARCH REPORT

Value-Based Service Quality for the New Generation of Home Buyers

By Stacey Schetzsle, PhD and Casey Ray Rusk, NALP

With a constantly changing market and a new generation of home buyers on the rise, value-based service quality will play an important role in customer satisfaction. Service industries, including the real estate industry, have begun to engage with consumers who insist on non-traditional service processes. Value is created throughout the service delivery process as opposed to previous, result-oriented models. A value-based approach is especially important in the real estate industry where customer decisions are emotionally and aesthetically influenced.

Competitive markets, new technologies, and more demanding customers are changing the way business is conducted. Realtors recognize that the new generation of home buyers provides distinct opportunities and challenges. The Millennial Generation is quickly gaining prominence in the real estate market and first-time home buyers have different expectations about the service delivery process compared to previous generations. Communication methods, information gathering techniques, sales process efficiency, need customization, and the use of emerging technology differentiate this generation from their predecessors. Continued success with Millennials will depend on the real estate professional's willingness to adapt sales and marketing activities to meet the expectations of a new generation of home buyers.

Satisfaction with services is found to be a primary relationship determinant in the service industry (Siddiqui and Sharma 2010). Realtors must understand and meet the expectations of the contemporary home buyers by providing flexible home buying solutions and personalization through preferred technology-aided methods. Sales organizations are using technology as a strategic tool to enhance sales performance (Sharma and Sheth 2010). Realtors are using technology to make the service delivery process more efficient. Previous research on sales technology has traditionally focused on areas such as CRM, SFA, and additional tools to improve sales force productivity and performance, however there are many emerging areas to explore. With new technology easily accessible and heavily used by customers, sales organizations can leverage technology's unique offerings to satisfy customer needs and expedite the sales. The purpose of this paper is to present technology applications that focus on the real estate industry to provide a value-based service delivery process that meets the expectations of Millennial Generation home buyers.

Service Quality

Service Quality provides additional value as an *interactive relativistic consumption preference experience* (DeRuyter et al. 1997). In a service context such as real estate, added value represents the quality of process, interaction, and experience. The service delivery process includes value-based service quality in addition to the purchase outcome. Previous measures of service quality

are based on the comparative judgment of customer expectations and perceptions of the service process. Customers form expectations prior to the interaction with the agent, develop perceptions during the service delivery process, and then compare expectations against the perceptions of the service performance.

A recent study conducted in the service industry examines underlying dimensions of customer satisfaction. Of the dimensions, Siddiqui and Sharma (2010) found that corporate image impacts satisfaction with the company and technology impacts satisfaction with functional services. Corporate image refers to the innovativeness in introducing products and processes, courteous agents, value for the money, and efficient procedures. Technology includes such items as easy online transactions, prompt handling of concerns using online communication, and proactive information through a variety of sources, including email or texting. Millennial home buyers expect these value-based services to provide quick, customizable solutions. Providing services using modern communication and presentation aids may influence perceptions of corporate image and technology to impact overall customer satisfaction in the real estate service industry.

A New Generation of Home Buyers

Representing persons born between 1977-1994, the Millennial Generation is entering the housing marketing by the masses (US Census Data 2009) and represents a dominant force in the real estate market. Presently, there is a focus in literature on the need to adapt, engage, and manage relationships with Millennials differently than previous generations. Failure to identify generational gaps can result in misunderstandings, miscommunication, and perceived under-performance in the service delivery process.

Millennial home buyers hold different expectations and views on the home buying experience and outcomes. For instance, these consumers communicate differently, preferring text messaging and social networking media to build relationships compared to traditional communication methods (e.g., phone, fax, email). An online study revealed that since 2008, U.S. cell phone subscribers send more text messages than they make phone calls each month (Kaplan 2010). In 2000, 12.2 million text messages were sent each month, compared to the more than 7.2 billion sent each month only 5 years later. Translated, these figures reveal that 240 million text messages are sent each day and approximately 160,000 text messages are sent each minute. As a result, realtors are adapting communication methods to
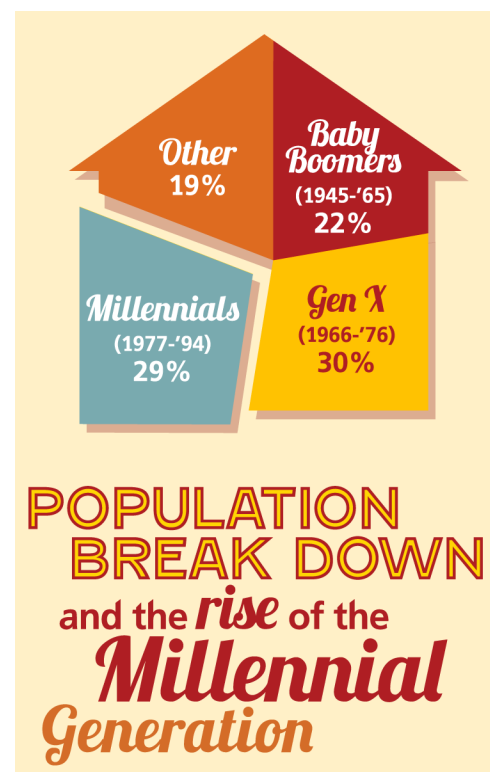
meet these consumer preferences. For example, some realtors have incorporated text message prompts with yard signs at their listed properties to provide convenient property information. A text message prompt that may read, "Text 'info' to 55555," can provide instant listing information on any given property at the touch of a button. This added feature diversifies the buyer's communication options and incorporates multiple platforms to receive property information.

The average age of a first-time home buyer is 30, signaling that the Millennial Generation is quickly transitioning into the home buying market (Daily Real Estate News, Oct 2010). Today's first-time home buyers have set a new standard for technology use in the home buying process. These "tech savvy" buyers are fast paced; they move fast and expect the people around them to move just as fast. Tech savvy buyers use smart phones to text message and email, expecting instantaneous responses. Realtors serving this market will need to be highly accessible and quick to respond to consumer needs and desires.

Sales Technology Usage in the Service Delivery Process

Realtors play an important role in developing and maintaining customer relationships. Relationships are built based upon the value and attention that an agent brings to the service delivery process and the agent's interaction with the customer. Technology is used as a tool to facilitate the customer-salesperson interaction (Ferrell et al. 2010). In relationship selling approaches, salespeople can leverage technology to enhance and provide additional value to the sales process. Use of technology in the service delivery process provides opportunities for the salesperson to uncover and communicate identified solutions. More specifically, value-based service quality activities use interactive technologies to engage customers, enhance sales presentations, and improve the efficiency of the sales process.

For example, a realtor may incorporate an Apple iPad equipped with relevant search process applications into the service process. New technology has empowered the buyer to customize their property search in real-time, and the iPad enables the realtor to adjust to facilitate the buyer's needs and wants without unnecessarily extending the service interaction.

Additional value-added solutions include use of technology to replace remedial tasks and information requests. Technology may be used to assist a customer in the information gathering process and expose the homebuyer to a full range of services that an agent can provide. For example, home buyers may be granted access to technology that allows them to search listings, neighborhoods, photos, and additional information to determine available options. With the ease and availability of new technology, home buyers can narrow the search for a home based upon online postings. In this case, the role of the realtor is to focus on the service process of finding, showing, and navigating the customer through the home buying process. Using technology has enabled realtors to communicate quickly, provide real-time alternatives and solutions, and build a trusting relationship with Millennial home buyers.

Using Technology to Meet Millennial Generation Expectations

As "tech savvy" home buyers, the Millennial Generation expects quick communications and solutions. Many realtors have identified one way to meet this demand by incorporating the Apple iPad into the service delivery process. Using the iPad throughout the delivery process helps agents build relationships and improve efficiency in the home buying process. Relationship building applications on the iPad allow agents to manage contacts, take notes during the discovery process, send emails, update and communicate through social networking sites, quickly provide customers with information about listings, and customize property searches and comparisons. In addition, iPad provides applications to improve efficiency when agents create advertisements, post listings, provide e-versions of documents and automate the closing process.

The iPad uses a Wi-Fi connection or a cell phone carrier's 3G connection, which allows agents access information anywhere to provide quick responses to client demands. Below are ways realtors can incorporate iPad as a sales tool to help them provide a value-added 'wow' factor to the service delivery process:

Be Relational

1. *Portable Client Management:* Manage client information in the office or on-the-go with numerous iPad applications (apps). Storing and accessing client information from any location will increase connectivity and provide greater accessibility. The realtor can structure specific category searches based upon client needs and quickly forward updated listings to clients in the market for this size of home. Frequently staying in connection with home buyers and customizing property searches allows realtors to build and maintain relationships.
2. *Access Most Current Listings:* With the iPad's wireless and network capabilities, realtors can easily access web-based information for clients, including home information sheets, even while out of the office.
3. *Check Email and Set Appointments:* The iPad with Wi-Fi and 3G compatibility allows the agent to use email and set appointments anywhere. Accessibility 24/7 allows real estate agents to be in constant contact with clients and other agents.
4. *Get Face Time with FaceTime:* When it is not possible to have a face-to-face meeting, iPad's FaceTime app enables the realtor to videoconference with other iPad/iPhone users anywhere a wireless network is available.

Market Your Product

1. *Presentation Applications:* Realtors can use the KeyNote app to create and present presentations on-demand. Millennials are highly visual consumers. Presenting listings, virtual tours, and immediate access to property information provides a value-added experience. Realtors can provide visuals by displaying the iPad at open houses or sharing visuals while touring homes.

2. *Share Listings and Property Photos – in High-Def:* Realtors can use the iPhoto app to upload and share pictures of past and current listings. High-definition pictures and albums can also be uploaded and shared though email, Internet listings, or even Facebook.

Increase Efficiency

1. *Find Accurate Data and Provide Quick Solutions:* Create charts and graphs for up-to-date market views thereby providing clients with quick solutions. Applications such as ZipRealty and the Numbers app enable the realtor to compile data on-the-go about specific houses or a particular neighborhood. The data can then be converted quickly to help determine listing prices or make quick decisions.
2. *Map-plications:* Create maps and quickly get detailed directions for you and your clients. The pre-installed Map app and the downloadable MapQuest provide real-time, accurate data on the iPad. A real estate agent can use the MapQuest application to visually compare housing prircs of homes sold in an area and display the results for her client.
3. *Document Management:* Providing information electronically using e-documents will streamline the service delivery process. Realtors can provide rich data (charts, graphs, comparisons) and forms electronically. iAnnotate is an iPad applications that allows users to save and share important documents and forms into a PDF, even enabling users to produce legal, usable signatures on the PDF file. Closing documents, contracts, and agreements can all be finalized and saved into an electronic format, which can then be shared online, through USB, or on a CD.

Realtors must understand and meet the expectations of the Millennial Generation by providing flexible solutions through leveraging new technology during the sales process. Using an iPad throughout the service delivery process is just one technology-based tool that supports realtors with relationship-building activities and improves efficiency in the home buying process. The chart below outlines some of the best iPad apps for realtors:

Table 1:
iPad Applications for the Real Estate Industry

Activity	App	Benefit
Look up listings	Realtor.com App or Zillow	Allows the user to find listings close to their location using GPS
Sign Contracts	Zosh (SP)	Allows the user to sign and write contracts in any location (no longer confined to the office)
Paperless Docs	Quickoffice	Gives the user Microsoft Office- like programs (MS-Office is not compatible with the iPad)
Maps, Neighborhoods	Google Earth, MapQuest, Blue Atlas Broker Verison 3	Allows the user to pinpoint his location and identify proximal selling benefits (close by selling advantages)
Presentations	Apple Keynote	Allows the user to put together presentations on their listings (a PowerPoint-like program)
Easy access to files	Dropbox	Allows the user to sync her iPad documents with her computer, and vice versa

Managerial Implications

The paper has some important managerial implications. With the entrance of Millennial Generation home buyers on the rise, it will be important for realtors to adapt the sales process to provide a value-based service delivery process to meet the expectation of the Millennial market. Agents should consider value-based sales activities to meet Millennials' expectations by incorporating technology to enhance customer interactions and expedite the home buying process. Realtors need to have a clear understanding of Millennial expectations before they can attempt to build relationships and incorporate activities into each dimension of the service delivery process. Therefore, management should not only focus on customer satisfaction with the sales process and outcome, but also assist agents on improving customer perception of service quality provided throughout the service delivery process.

This article provides managers with service quality improvements in real estate market and improving Millennial Generation satisfaction as they enter the home buying market for the first time. Incorporate technology to enhance relationship and sales process experiences. Managers can use technology, such as iPads, reduce resource expenses, provide agents with strategic tools

to create customized real-time communications and home buying solutions desired by the Millennial home buyer.

References

Daily Real Estate News (Oct 2010), "How to Reach the Millennials."

DeRuyter, Ko, Martin Wetzels, Jos Lemmink, and Jan Mattsson (1997), "The Dynamics of the Service Delivery Process: A Value-Based Approach," *International Journal of Research in Marketing,* 14, 231-243.

Ferrell, Linda, Tracy L. Gonzales-Padron, and O.C. Ferrell (2010), "An Assessment of the Use of Technology in the Direct Selling Industry," *Journal of Personal Selling and Sales Management,* 30 (2), 157-165.

Kaplan, Seth (2010), "The Communication Shift: Don't Call Me….Text me!" www.rismedia.com

Sharma, Arun and Jagdish N. Sheth (2010), "A Framework of Technology in Consumer Selling: Implications for Firms and Sales Management," *Journal of Personal Selling and Sales Management,* 30 (2), 121-129.

Siddiqui, Masood H. and Tripti Ghosh Sharma (2010), "Analyzing Customer Satisfaction with Service Quality in Life Insurance," *Journal of Targeting, Measurement and Analysis for Marketing,* 18 (3/4), 221-238.

U.S Census Bureau Data (2009).

About the Authors

Stacey Schetzsle, PhD
Assistant Professor, Department of Marketing and Management, Ball State University
Dr. Stacey Schetzsle (PhD-Purdue University) is currently an assistant professor in Marketing and Management, specializing in professional selling and sales management, at Ball State University. After receiving her undergraduate degree in selling and sales management at Purdue University, she spent three years in business-to-business sales and corporate training before returning to Purdue to earn a master's degree and PhD. She has worked on several consulting projects, focusing on a variety of personal selling, sales management, and leadership areas. Her teaching has been focused on professional selling, advanced selling, corporate partner development, and executives in the classroom series, sales internship programs, and marketing. Her research interests include behavior issues related sales and sales management. Specific topics include sales team cooperation, sales education, and trending topics in the sales field.

Casey Ray Rusk, NALP
Graduate Student, M.S. Family and Consumer Science with a Concentration in Residential Property Management, Ball State University
Casey Rusk, NALP, graduated from Ball State University with a Bachelor of Science in Marketing in May of 2010. Casey is currently getting is Masters at Ball State University in Family and Consumer Sciences with a concentration in Residential Property Management. Casey has done several internships in sales, marketing, social media and is currently working with Barrett & Stokely Inc, an Indianapolis-based multi-family housing company.

Necessary Condition #5 –
The Right Approach Priorities
By Charles Fifield, MBA

When a salesperson commences a face-to-face sales interaction, certain call priorities must be the central focus of the early interpersonal exchange. First, the salesperson must be ready, willing, and able to satisfy the prospect's human or relationship wants in order to earn the opportunity of later fulfilling business wants. In other words, developing a basic level of a positive working relationship is the door to a productive sales approach.

In the beginning, the salesperson must be sensitive to the fact that prospective buyers naturally have fears that must be effectively managed. One common buyer fear is "being sold." Most people want to avoid the sales process. On the other hand, people generally enjoy the process of buying. Also, people are generally not eager to pursue a course that will necessitate material changes in their everyday behavior. In the minds of prospects, sales representatives too often personify these fears when they commence a sales interaction. As a result, the buyer may begin the exchange on a defensive or evasive note.

What six integrated skills are vital to a salesperson's getting off on the right relationship approach?

1. Gaining a *positive first impression*

2. Being *likeable*

3. Developing *trust*

4. Demonstrating *care and empathy*

5. Engaging *collaboratively*

6. Finding the buyer's *"eager want"*

First Impression

You never get a second chance to make a good first impression. With every new sales interaction, you are being evaluated. During a time of usually less than fifteen seconds, the buyer is forming opinions that are very difficult to reverse.
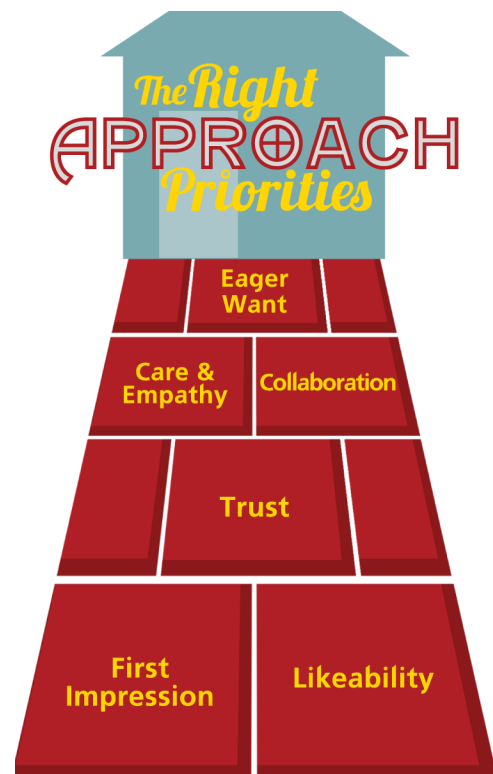
This assessment is primarily based on several non-verbal factors, including the salesperson's body language, general demeanor, mannerisms, and how one is dressed. The first impression is so extremely important that it has been estimated that as much as an 80% correlation exists between the first impression and the sales call's outcome. Some useful tips would include: be on time, be warm and engaging (smile), be confident (overcomes fear), be at ease, and be prepared to initiate a relationship on a personal basis first and then initiate the business connection.

Likeability

One key relationship factor is a salesperson's perceived likeability. Simply stated, people want to do business with people they like. Tim Sanders in his book, *The Likeability Factor: How to Boost Your L-Factor and Achieve Your Life's Dreams*, identifies four key elements that determine one's likeability:

1. *Friendliness* – your ability to communicate liking and openness to others

2. *Relevance* – your capacity to connect with others' interests, wants, and needs

3. *Empathy* – your ability to recognize, acknowledge, and experience other people's feelings

4. *Realness* – the integrity that stands behind your likeability and guarantees its authenticity

Mr. Sanders examines how likeability brings out the best in others. This buyer assessment is usually incorporated into the recommended brief small talk or rapport-building exchange that precedes the diagnostic or investigative phase of a sales call.

Trust

A critical sales call element is the cultivation of trust. Prospective buyers are seeking to do business with salespeople they believe are trustworthy. Trust is not something easily defined but academic research suggests there are core building blocks of trust that one can build. To cultivate or create trust, salespeople must be willing to let go of fear, be willing to adapt, and take risks connecting with a prospect.

Being deemed to be trustworthy is a combination of many perceived personal qualities. There are four perceived qualities that seem to be consistently tied to trust through research, and can be referred to as the four C's:

1. *Competency* – adequately or well-qualified to provide assistance

2. *Credibility* – being believable or trustworthy

3. *Comfortable* – creating in others an emotional state of well-being or feeling safe

4. *Commonality* – having certain valued attributes in common

Trustworthiness is shaped during the course of the buyer-seller interaction; a process with three critical inputs:

1. *Engage* – confer with prospects in a warm, open, and friendly manner in a mode of managing, not reacting to circumstances

2. *Listen* – seek first to understand before being understood and work to ensure that the buyer talks for the majority of the interaction; listening ensures that the focus is on what's important (the desired state) to the prospect

3. *Validate* – work to validate, not pontificate, ideas or possible solutions with third-party references, standards, and norms

Care and Empathy

Zig Ziglar, a highly regarded motivational speaker, says, "People don't care how much you know until they know how much you care…about them!" Our recommended method of selling must encourage prospects to share their thoughts and feelings. The three most important words in today's highly effective selling are nurture, nurture, nurture. In his book, *Secrets of Closing the Sale*, Ziglar states three principles that may simplify the selling or communication process for the salesperson:

1. Selling is not telling, selling is asking.

2. Listen so the customer will talk, talk so the customer will listen.

3. Selling is transference of feeling – for your product or service.

Collaborate

To achieve the desired buyer-seller working relationship, it is important that the salesperson lead the process in a joint decision-making manner. This is frankly easier said than done for most successful sales agents. Since one of the most important personality characteristics of highly successful salespersons is a strong ego-drive, collaborating (versus competing) can be an inherent dilemma. Competitive or win-lose thinking is a burden to the desired win-win relationship state, and will produce needless sub-optimal and wasteful results. Our goal is for the buyer to realize a winning or value-adding outcome. By doing so, we win as a consequence.

Eager Wants

After successfully bridging the beginnings of a relationship, the salesperson must artfully progress to the next critical phase of the approach, i.e., defining the prospect's eager want(s) or hot button(s). This process should be a continuation of the recommended collaborative communication approach, which is really a diagnostic-focused approach. Picture a physician conferring with a patient during the course of a regular physical examination. The salesperson must identify the implied wants and then "mine," using well-designed open, closed, confirming, and summary questions, to gain an understanding of the buyer's explicit wants. These concerns should dominate the balance of the initial meeting's interactive exchange.

Summary

It is vitally important for sales agents to recognize and learn how to responsibly manage the perceptions and feelings that play such an integral role in a sales meeting's success or failure. Perception may not be everything, but in relationship building, it does play an enormous role in determining whether or not one has a chance of getting started. There are several priorities or essential ingredients to getting off to the right start buyer-seller relationship recipe:

1. Open with a positive first impression

2. Work to be likeable

3. Understand how to be trustworthy

4. Demonstrate a caring and empathetic attitude

5. Engage prospects in a collaborative manner

6. Know how to ask the right questions in order to quickly locate the prospect's "eager wants"

About The Author

Charles Fifield, MBA
Senior Lecturer and Sales Coach, Baylor University's Center for Professional Selling
Chuck Fifield is a Senior Lecturer for Baylor University's Hankamer School of Business, Marketing Department and serves as the faculty coach to Baylor's Sales Team and Uproar Music and Entertainment Group, a student managed business. He joined the faculty at Baylor University in 2001, where he has also taught in the Graduate Business School (Operations Management), the Management Department (Negotiations and Conflict Resolution) and the Economics Department (Principles of Macroeconomics). Chuck has taught or guest lectured at other Texas-based Universities in the fields of sales, international business, money and banking and finance/investments. Professor Fifield has conducted sales research and training for several organizations, including most recently State Farm Insurance. Prior to joining Baylor, Chuck was a financial consultant for nearly thirty years to businesses located throughout the U.S. He owned and operated several financial service businesses in the fields of securities, real estate, oil and gas and insurance.

Divergent Brand Building Strategies:
How Do They Match Up?
By Kirk L. Wakefield, PhD

In competitive selling environments, brand identity is an important differentiator for both the sales professional and the consumer. For service industries such as real estate, brand building is vital as agents work to facilitate sales transactions, create loyalty, and generate referrals. Within the context of developing brand image, professional salespeople, including real estate agents, are presented with significant challenges and opportunities.

From a marketing management standpoint, a traditional promotion mix consists of advertising, sales promotions, publicity, and personal selling. Services are intangible; therefore, the importance of creating a distinct brand image through advertising is frequently seen as a critical component of the promotion mix. As such, a majority of the major firms in the service-based real estate category choose to cultivate brand identity through conventional marketing strategies, placing a strong emphasis on television and online advertising to reinforce their brands and to soften the market for local agents. In contrast, firms who choose not to engage in national advertising campaigns often invest more into resources for agent training and development. These less-conventional firms focus on empowering agents to shape their individual brands at the local level.

Individual agents have an important choice to make when deciding to affiliate with a national agency. Convictions, perceptions, and preferences play a large role in the affiliation decision – both for new agents looking to springboard into their careers, and also for seasoned agents looking to take their careers to the next level. The level of brand building conducted on behalf of the local agency can make a significant difference in the affiliation decision for the individual agent.   Our study looks at the local level impact of divergent brand building strategies in the Dallas/Ft. Worth market, focusing on three of the major players in the real estate industry: Century 21, Re/Max, and Keller Williams Realty International (KWRI).

The Numbers – What Is The Cost Of Advertising?

Spending on advertising by the real estate industry exceeded $11 billion[1] annually early in the past decade, with increasingly larger amounts devoted to online advertising. While ad spending for the real estate category dropped 20% to just under $20 billion in 2009, Borrell Associates estimates total ad spending in the industry to soon exceed $35 billion (by 2013), with approximately one-third spent in online advertising and a little over one-fifth (22.2%) spent on broadcast and cable television. Borrell estimates 60% of all online ad dollars currently come from real estate agents and brokers, although the rise in online spending by the industry hit its

---

[1] http://www.borrellassociates.com/reports?page=shop.product_details&flypage=garden_flypage.tpl&product_id=436&category_id=41

peak and started to slightly decline in 2009 (-4%) and 2010 (-1%). Two of the biggest spenders in the real estate category, Century 21 and Re/Max, have been consistent drivers in the real estate advertising landscape.

Prior to 2009, Century 21 spent 50% of its annual advertising budget on television.[2] In 2009, though, the real estate giant made a shift to a predominantly digital advertising campaign, foregoing any national television advertising. Century 21 plans to maintain an aggressive digital presence. However, their 2012 strategy includes an agent-focused ad campaign, capped off with a 30-second ad run in the third quarter of Super Bowl XLVI.[3]

Similarly, Re/Max has chosen to spend a large amount of its budget on advertising initiatives. Over the past decade, Re/Max spent $44-$57 million annually on national TV campaigns to build its brand, maintaining the dominant share of real estate advertising impressions, according to Nielsen. A Re/Max website reports that total ad spending by Re/Max and its associates approaches $1 billion annually.[4]

By contrast, KWRI does not leverage a strong national advertising campaign to build brand image – rather, they believe that local brand identity, driven and defined by the individual agent, has greater value than national or even international brand identity. Budget is instead allocated heavily towards resources to educate and support the agent at the local level. Using this less-conventional strategy, which emphasizes the agent-buyer relationship, KWRI has now become the second-largest franchise operation in the real estate industry.[5]

The Study – Impact of National Brand Building at the Market Level

Based on proximity and size (5th largest US market), we selected the Dallas/Ft. Worth area to conduct a broad study on brand equity across three highly competitive service categories (retail electric providers, banks, and realtors). Incorporating multiple brands and categories within a broader study affords the advantage of disguising the focus and reducing possible bias by respondents. Engaging a California-based research firm, Socratic Technologies, we conducted an independent online survey of 1200 adults representative of the DFW market demographics in December 2009 and another (different) sample of 1200 again in June 2010.

In addition to gathering demographics, respondents reported whether they had bought or sold through each of the three realtors in the past ten years. We asked four questions regarding nine brands (randomly presented), including Century 21, Re/Max, and KWRI. Through the data collected, we explored recommendation patterns, purchase intention patterns, and loyalty among the nine brands' existing customers.

---

[2] http://adage.com/article/news/century-21-moves-national-tv-money-online/133771/
[3] http://adage.com/article/news/century-21-back-big-tv-buys-2012-super-bowl-spot/149615/
[4] http://www.remaxcentral.ab.ca/career_nationaladvertising.html
[5] http://www.kw.com/kw/pressrelease.html?pressReleaseId=185

For ease of comparison, the average responses on the scores have been converted so that a score of 100 would be the maximum possible and 10 the minimum. The tables and analyses below report the average scores for those in the market who bought or sold a property through one of the three realty agencies, as well as the impact and any additional patterns of results that emerge from the data collected.

Impact on Brand Recommendation

Table 1.1

1) *How likely would you be to **recommend** each of the following to a friend or family member in the future?*

	Client of:					
	2009			2010		
Variable	**Century 21**	**KWRI**	**Re/Max**	**Century 21**	**KWRI**	**Re/Max**
Century 21	62	51	51	66	55	57
KWRI	50	**65**	48	58	**77**	58
Re/Max	51	51	61	53	53	66
*The scores in yellow highlight the responses for the brand among its own customers.						

As would be expected, clients of each realtor rated its agency the highest (most likely to recommend) compared to the other two realtors. The highest across all scores (both years) belongs to buyers/sellers using KWRI, rating the agency 65 in 2009 and 77 in 2010. For reliability and validity purposes we are more interested in the pattern of results in 2010 compared to 2009, which verify that KWRI clients rate it the highest (77), followed by Century 21 (66) and Re/Max (66).

Impact on Purchase Intention

Table 1.2

2) *How likely would you be to pay for the services from each of the following in the future? **(intention)***

	Client of:					
	2009			2010		
Variable	**Century 21**	**KWRI**	**Re/Max**	**Century 21**	**KWRI**	**Re/Max**
Century 21	62	51	51	62	52	54
KWRI	52	**63**	48	52	**71**	57
Re/Max	52	52	58	52	54	65
*The scores in yellow highlight the responses for the brand among its own customers.						

We see a similar pattern when it comes to the likelihood of choosing the same realtor the next time a customer needs to buy or sell a home. Reflecting on Table 1.1 and 1.2, the pattern of results suggests KWRI improved its position vis-à-vis Century 21 from 2009 to 2010.

KELLER CENTER RESEARCH REPORT

Impact on Brand Loyalty

Table 1.3

3) *How **loyal** are you to the following brands?*

	Client of:					
	2009			2010		
Variable	**Century 21**	**KWRI**	**Re/Max**	**Century 21**	**KWRI**	**Re/Max**
Century 21	49	39	38	55	45	45
KWRI	41	**52**	36	45	**58**	45
Re/Max	42	40	46	47	46	56
*The scores in yellow highlight the responses for the brand among its own customers.						

For all three companies, it is concerning to see that brand loyalty scores are significantly lower than recommendation and purchase intentions (at an absolute level). Combined with Table 1.4, the results imply customers are not taking great stock in the national brand. Even among a realtor's own customers, loyalty is only rated as in the realm of a 5.0 score on a 10-point scale. Although KWRI's scores are slightly higher, they are not significantly different from its competitors.

Impact on Brand Distinction

Table 1.4

4) *To what degree do you believe each brand is **distinct** from others that sell the same products or services?*

	Client of:					
	2009			2010		
Variable	**Century 21**	**KWRI**	**Re/Max**	**Century 21**	**KWRI**	**Re/Max**
Century 21	52	45	44	59	50	50
KWRI	46	**52**	42	49	**55**	48
Re/Max	49	46	50	50	47	56
*The scores in yellow highlight the responses for the brand among its own customers.						

Regarding brand distinctiveness, the differences between the high scores (e.g., 52, 52, and 50 in 2009) do not show a clear pattern of results across the three realtors. Again, these scores on an absolute level (42-59) suggest even a realtor's own customers do not see the brand itself as particularly distinct or unique, let alone other brands. In any case, the brand image does little to separate the three realtors—despite Century 21 and Re/Max investing tens of millions of dollars in brand advertising campaigns. If national brand campaigns were more effective than investing promotional dollars in local agencies (viz., sales force & training), we would expect Century 21 and Re/Max to achieve higher brand distinctiveness scores among its customers than KWRI.

Scores for Those Not in the Market

Scores for willingness to recommend, intention to use, brand loyalty, and brand distinctiveness among those who have not been in the real estate market in the past decade are very low; consequently, we don't present these scores in the results tables. On a 1 to 10 scale, those not in the market uniformly rate these realtors as a 1, 2, or 3 on the four questions we asked. This may suggest that advertising through mass media channels represent significant waste where most of the market is ignoring the message.

Conclusion

This independent study conducted in 2009 and replicated in 2010 demonstrates a consistent pattern of results. Century 21 and Re/Max have built a strong brand image through heavy investments in national advertising campaigns; however, the results of our study also show that the investment in education and support for local KWRI agencies produces positive attitudes toward the realtor among its customers.

As an agent in the national real estate landscape, it is important to evaluate the marketing investment strategies for real estate companies, considering the impact of brand building versus agent development programs. Whatever your strategy, consider an agency that complements your strengths and provides the important resources needed to propel your career forward.

Appendix

Demographic Information

Table 1.5

Demographic Information

	Client of:					
	2009			2010		
Variable	**Century 21**	**KWRI**	**Re/Max**	**Century 21**	**KWRI**	**Re/Max**
Household Income	$69,175	$74,825	$76,925	$65,775	$66,675	$69,075
Respondent Age	36	**38**	38	39	**39**	41
Household Size	3.3	3.1	3.0	3.2	3.1	3.1
% Market in Sample	7.20%	7.90%	9.30%	7.20%	6.70%	8.10%

The income, age, and household size for the three realtors are relatively similar across the three agencies. We do see, though, that KWRI and Re/Max appeal to a slightly older age group and income level and that Century 21 appeals to a slightly larger household demographic.

About the Author

Kirk L. Wakefield, PhD
Edwin W. Streetman Professor of Retail Marketing, Baylor University
Since arriving at Baylor University in 2002, Professor Wakefield has planned, initiated, and successfully executed plans for the creation and development of three unique programs housed in the Department of Marketing, including the Sports Sponsorship & Sales program and its advisory board of 25 major league teams, the Music & Entertainment Marketing program with its own student-run record label (www.uproarrecords.com) and entertainment company, and the $5 million endowment for the Keller Center for Residential Real Estate Marketing.

Dr. Wakefield's research in retailing covering almost two decades focuses primarily upon fan and consumer response to pricing and promotional tools. This work appears in the *Journal of Retailing* (1993, 1996, 1998, 2003), *Journal of Marketing* (2007, 2010), and *Journal of Consumer Research* (2010), among others. His research measuring consumer response to sports sponsorships can be found in the *Journal of Advertising Research* (2006) and *Journal of Advertising* (2007, 2010). Dr. Wakefield has received awards for his research published in the *Journal of Retailing* (2003), *Journal of Personal Selling & Sales Management* (2006), and *Journal of Marketing* (2007).

Making Social Media Effective In Real Estate
By Michael Rodriguez, PhD

In order to overcome the challenging housing crisis, real estate professionals have had to become more innovative in the way they reach prospective customers. One of the strategies implemented is leveraging social media technology. The use of such tools as Facebook, Twitter or LinkedIn cannot be ignored. According to the Cone Business Study, 60% of Americans use social media, with 59% of social media users interacting with companies on social media sites (Bunzel 2010). The study also predicts that social media spending will grow from $716 million this year to more than $3.1 billion in 2014 (Bunzel 2010).

The objective of this article is to consider the utilization of social media and its potential role in the real estate sales process. Additionally, we identify several organizations that have implemented social media as part of their customer engagement and sales strategy. Best practices on integrating social media will be provided for real estate organizations to positively impact the sales process.
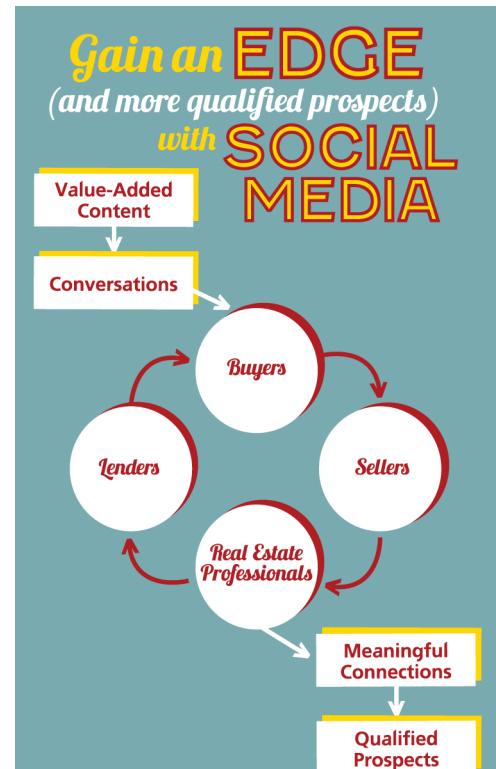
Understanding Social Media and Its Use

With the evolution of the Internet and Web 2.0, organizations around the world are implementing a social media strategy to have a presence in the new connected world. The goal though is not to just have a presence, but to build a network. That network will then provide opportunities to develop new relationships, build brand awareness and create a competitive advantage.

In its simplest form, social media enables individuals to share ideas, content, thoughts, and relationships online. As more organizations embrace social media, tools such as LinkedIn, Facebook and Twitter are used to directly communicate to buyers in places where they congregate. Social media grew in popularity out of the need of attracting Internet users by providing compelling content. This content not only connected individuals to other individuals, groups, organizations and interests, but also created a platform for all to have a conversation on the content. Social media enables individuals to be part of a collaborative conversation in order to provide mutually beneficial value in a trusted business environment. This type of communication can create greater engagement and deeper, meaningful networks with people interested in real estate professionals. The result is not just more prospects, but more qualified prospects.

One of the challenges in any sales organization is finding the right type of clients through prospecting efforts. Prospecting, the most important first step of the sales cycle, is a continuous requirement since the real estate industry is dynamic: challenging economy, over supply of property, longer sales cycle or unqualified buyers. Real estate professionals need to capture detailed information on prospective clients in order to gain a better understanding of their needs and buying process. Once this information is obtained, the next and equally challenging step is to qualify the prospect.

A well-implemented social media strategy may be an effective prospecting tool to find qualified potential clients. Through the use of value-added content aimed at providing qualified prospects information they need, social media provides a foundation of shared interests and mutual trust. By qualifying prospects, real estate professionals can focus on ideal clients and, as a result, may minimize time wasted on less-than-ideal prospects thereby leading to the efficient conversion of qualified prospects.

Before discussing how to effectively implement a social media strategy, let's first examine several real estate firms and other service-based organizations that successfully use these tools in today's challenging economy.

Social Media – Go Beyond Facebook and LinkedIn

Real Estate professionals have found early success in lead generation and building brand awareness through the utilization of social media platforms. The main purpose is to attract sellers for potential listings and buyers who are in the market to purchase a home.   This means going beyond the use of Facebook and LinkedIn. Though these are effective tools for marketing, the message and conversations can often be lost on these platforms. The Corcoran Group, one of the largest residential real estate firms in New York, utilizes Twitter to provide short announcements of new listings and showings to not only buyers but to an entire real estate community (www.corcoran.com). Twitter has been probably the most underutilized tool in real estate industry.   With Twitter, an agent can post something very short but of interest to the reader (i.e., new home or open house). The objective is to get the individual to click on your website or blog to find out more information on the listing or showing. Twitter is a great marketing tool for real estate professionals to generate quality followers and move the conversation to their specific blog or website.

Implementing a successful social media strategy also means using social networks that are specific to your industry such as Trulia, Zillow, WellcomeMat, Architizer or Tungle me. WellcomeMat, for example, offers full production of video tours of properties to real estate firms such as Weichert, Prudential, and Halstead. With a community of over 18,000 real estate professionals, WellcomeMat enables agents and brokerages to connect with buyers by not only providing quality videos on listings but great, in-depth information on homes and neighborhoods.

By starting with quality content, buyers can then be linked to a real estate firm's website for more detailed information or further contact (www.wellcomemat.com).

While connecting with buyers and sellers is the core of any real estate business, it is important to engage the real estate community with industry expertise and advice. Social media tools such as Trulia Voice and Zillow Advice are community forums providing in-depth discussions on financing, relocation and questions on closing. Local agents who are specialists in a specific geographic region answer questions raised by potential buyers. This online interaction between prospective buyers and real estate professionals builds trust and credibility. Demonstrating credibility through social media can yield more prospects being reached in a shorter amount of time, which will have a measureable impact on sales output for real estate professionals (www.trulia.com/voices, www.zillow.com/advice).

Another example of effective use of social media is Keller Williams' use of YouTube. Headquartered in Austin, Texas, Keller Williams provides monthly videos on topics ranging from region reports to advice on home searches. Keller Williams' YouTube videos have created a loyal social following with over 400,000 views and 2,000 unique subscribers (www.kw.com).

Best Practices For Implementing Social Media

Social media will benefit real estate sales because this new approach of communication seeks to reach new buyers, influence dialogue within the real estate community, and make connections. Adding a social media strategy is critical to doing business in today's conversation-based economy, especially when prospecting in a challenging economy. The following are some of the best practices on how to implement social media in real estate.

First, pinpoint where social media can help improve interaction with the real estate community. This means starting with content that is value added. Many firms that have implemented social media have created white papers on important topics to use as an enticement to get a prospect interested in their product or potential solution. The target here is primarily attracting new customers or potential influencers. Therefore, real estate professionals should write about what others in the community are interested in learning about (i.e., existing home sales, current tax laws or specific geographic regions).

Second, real estate professionals need to think differently about how they communicate with prospects and others in the community. Real estate professionals can accomplish this by coordinating webinars with their prospects in order to share ideas on a specific topic and create a conversation. Realtor.org provides monthly webinars on topics such as tax reform, remodeling and foreclosures (www.realtor.org/rmohome/webinars). Webinars provide a means whereby customers can interact via social technology, enabling them to feel like they have immediate and direct access to a professional. Webinars are also a powerful tool in distributing important content and attracting buyers to a specific area or a specific home.

Third, real estate professionals can engage clients in conversations via Twitter, blogs or other industry-specific network tools. One of the biggest challenges in any social media initiative is determining which channels will be the most effective. The simplest approach is to go where other real estate professionals are. In previous issues of the *Keller Center Research Report,* authors have presented additional resources to aid in selecting a social media strategy, including the article "Exposing Social Media Analytics" (Fischbach, March 2011). Real estate professionals need to be able to get out of the typical approaches and feel comfortable participating in conversations with social customers through effective social media usage. Today's real estate community needs to interact and engage via other means of communication.

Fourth, as with any technology endeavor, it is important to be patient when implementing a social media initiative. Building a community of loyal followers takes time (Rodriguez and Peterson 2011). Real estate firms need to understand the tools available to engage and interact with customers. Through interaction, organizations can provide vital information to prospective buyers and build credibility within a community. As a result, not only will the social community grow, but the opportunities to generate more sales will grow as well.

Conclusion

This article provides a foundation for understanding social media and its potential impact on reaching buyers and sellers in the real estate sales environment. In the early stages of the utilization of social media technology, real estate sales professionals should not underestimate its eventual influence. With a challenging business environment, a greater number of competitors and more knowledgeable buyers, real estate professionals need to leverage the most current technology and implement social media in order to increase identification of potential customers. The market is shifting, thus, it is necessary for real estate professionals to use social media to build a community to connect with clients and partners within the industry. Embracing social media enables real estate professionals to create new connections, create conversations and build trusted relationships with those connections. Real estate professionals who demonstrate credibility through social media can yield more prospects being reached in a shorter amount of time, which will have a measureable impact on sales output.

References

Bunzel, Tom (2010), "The Best of Both Worlds: How to Effectively Leverage Social Media Relationships with Real Time Collaboration Tools," Webinar, April 14th, 2010.

Fischbach, Sarah A. (2011), "Exposing Social Media Analytics," *Keller Center Research Report,* 2011.

Rodriguez, Michael and Robert Peterson (2011), "Generating Leads Via Social CRM: Early Best Practices for B2B Sales," National Conference in Sales Management, Orlando, FL.

www.corcoran.com (2011).

www.kw.com (2011).

www.realtor.org/rmohome/webinars (2011).

www.trulia.com/voices, (2011).

www.wellcomemat.com (2011).

www.zillow.com/advice, (2011).

About the Author

Michael Rodriguez, PhD
Assistant Professor, Department of Marketing and Entrepreneurship, Elon University
Michael Rodriguez is an assistant professor at Elon University in Elon, North Carolina. His research interests include customer relationship management (CRM), social media, and sales leadership and management. He has published articles in *Industrial Marketing Management*, *Journal of Sales and Major Account Management* and *International Journal of Business Innovation and Research*.

INSIDER: The Lunch of a Lifetime

By Steven Bell, MBA Candidate

Would you like to receive more referrals? In his 2010 book *The Lunch of a Lifetime*, the world's most referred real estate agent, Michael Maher, reveals his secrets to generating more referrals through effective networking. Referrals are important opportunities for sales in the increasingly connected marketplace and can help grow your business as well as your reputation. Areas such as communication, the timing of meetings and conversational focus can be manipulated to guide your partners into the "referral zone." By following the simple strategies outlined by Maher, you too can reap the benefits of referrals.

THINK POINT #1: Understand the 7 levels of communication

Communication is at the heart of sales. Agents will enjoy endless benefits by better understanding how to communicate effectively and meaningfully. The communication pyramid is a great representation of the impact of different types of communication. The lower levels are known as the *informational zone* and include advertising, direct mail, and electronic communication. Communicating in this way promotes awareness to potential clients but doesn't meaningfully connect with them. The upper levels are known as the *influential zone* and include handwritten notes, phone calls, events and seminars, and finally 1-on-1 meetings. These types of communication resonate with the client and make them feel important and valued. It is within this influential zone that a powerful emotional connection is made between yourself and the receiver. The receiver will reward this connection, both with initial business and loyalty. You will truly be heard when communicating in the influential zone.
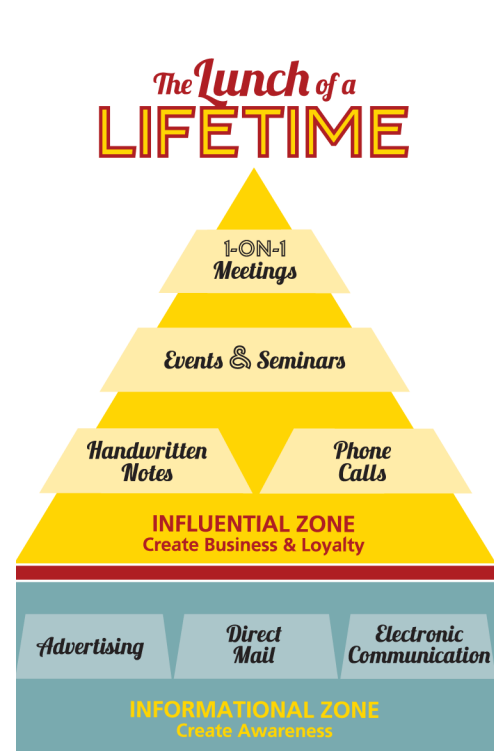
THINK POINT #2: Utilize the networking stack

When other people talk about you, it is far more powerful than when you talk about yourself. Most people would agree with this insight, but how do you put it to work? A simple strategy to generate "buzz" for yourself is called the networking stack. In short, if you have multiple networking events during the day, schedule them all back to back. If your networking lunch ends at 1:00 pm then arrange for your next meeting to start at the same time. In this way, you will have arranged for your lunch partner to meet your meeting partner. Ask to step away for a call

and the two partners will be left alone to discuss the only common bond between them, YOU! If you have a great relationship with one then they are likely to tell the other all the wonderful things about working with you. Arrange all of your daily meetings in this fashion and there is a great chance other people will be talking about you.

THINK POINT #3: Guide the conversation away from yourself with F.R.O.G.

Now that we know how to connect meaningfully and time meetings to generate buzz, it's time to get to the meat of generating referrals. Once the partner is at the table and thinks of you in a positive light, continue leading him/her into the referral zone with guided conversation. A simple rule for this conversation is to focus on them, not you. It isn't always easy to initiate a fluid conversation with a complete stranger; however, a helpful tool is the acronym F.R.O.G., which stands for *Family, Recreation, Occupation,* and *Goals.* To begin the conversation, start at the beginning of the acronym (F) and ask 1-2 questions about the client's family. Focusing on a spouse or child will provide a comfortable platform for the client to begin talking about himself. Successively move through each letter of the acronym, emphasizing recreational, job-related and future-oriented activities to keep the conversation flowing and attention away from you. This tactic may sound simple but there is great value in simplicity; this resource would not be practical if you couldn't remember it. Next time you are stuck in a fading conversation, turn to F.R.O.G. for a plentiful source of light-hearted material.

THINK POINT #4: Ask the right questions to generate referrals

All of the other strategies thus far have set the table for a great partnership. The final move in this match is to ask the three most powerful referral-generating questions:

- What is your biggest challenge right now?
- What have you tried so far to overcome that challenge?
- What are you going to do next to conquer the challenge?

With each question, do your best to help them come up with the answer. The questions shouldn't simply be asked in light conversation, but rather in a way where you can sincerely offer input to help the partner accomplish his/her goals. In response to this sincere understanding and helpfulness, they are going to ask how they can help you. After you have given, be ready to receive; it is human nature to return a favor with a favor! By following these steps, agents will be able to effectively communicate, generate buzz, guide partners into the right frame of mind and finally receive the best gift of all: a referral.

Recommended Reading

Maher, Michael (2010), *The 7 Levels of Communication,* Indiana: AuthorHouse.

About the Author

Steven Bell, MBA Candidate, December 2011, Baylor University Graduate Assistant, Keller Center for Research and Center for Professional Selling
Steven is a graduate student from Cuero, TX, currently pursuing an MBA degree with a concentration in entrepreneurship. He earned his BBA in general business from Texas A&M University – Corpus Christi.

# INSIDER: Making the Customer Comfortable with You
By Drew Johns, MBA Candidate

Customers have more power in the buyer/seller relationship than most people think. The relationship is dependent on how a customer relates and reacts to the salesperson. As a salesperson or agent, you must monitor and analyze how comfortable the customer is with you and your business throughout the entire sales process. From the first impression to the closing of a deal, the customer must believe that the salesperson is looking out for his or her best interests.

The level of risk that customers are willing to take on during the purchase process will define how strong of a relationship they require with the salesperson. Customers making a lower risk purchase have different needs than those making a high-risk purchase. The buyer will require a stronger relationship with the seller as the risk of the purchase increase. Potential costs resulting from making a bad investment can range from an outlay of cash and time to physical and emotional stress on the body. To alleviate and mitigate the risk of taking on a bad investment, a rational customer will do his due diligence and then perhaps require a strong relationship with his salesperson. The stronger the relationship between the two individuals, the more proactive the pair can be in resolving conflicts as they arise. If the customer is not satisfied with the level of rapport the salesperson is creating, he will either leave and find an alternative or be discontent and difficult to work with. Both scenarios are a lose/lose situation for the salesperson.

Cultivating a relationship with your customer and making the customer comfortable with you is an ongoing process that must evolve with the changing demands of each party. In *How to Sell Anything to Anyone Anytime (2011)*, Dave Kahle outlines how making the customer comfortable fits into the sales process. This article will investigate four key components that help a salesperson make the customer feel comfortable.

THINK POINT #1: Be confident and capable

Projecting passion and having conviction for one's work will signal that you have the capability to succeed at a specific task. The buyer wants to know that you are qualified and have the competence to act in his best interest. Building rapport and finding common ground with the customer helps the buyer discover who you are as a person. One good way to build rapport for
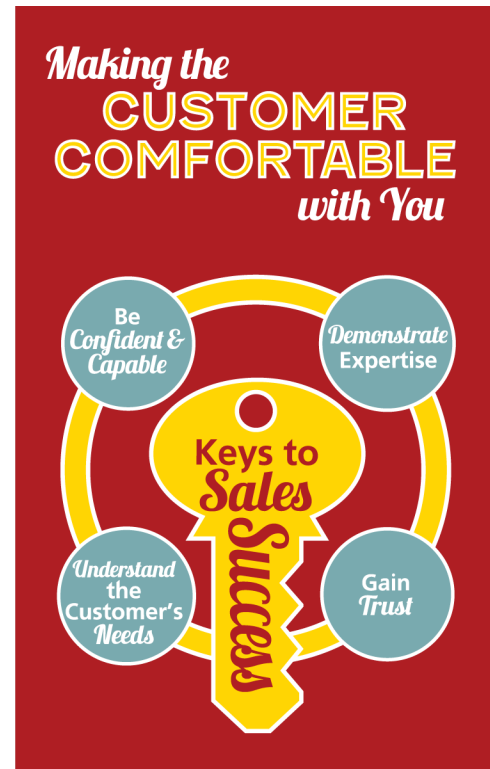
yourself and for your company would be to discuss recently achieved individual or company goals. Sharing small "success stories" provides a platform for you to speak intelligently about your company and reveal individual strengths, which then begin to align with the customer's predetermined expectations. Adapting the conversation and preparing for the unexpected shows you are capable and proficient in performing your job, which puts the buyer at ease.

THINK POINT #2: Demonstrate expertise for credibility

Practice and experience help in the process of gaining confidence in one's work. Preparation is crucial to ensuring you understand not only the product inside and out, but also the customer's wants and needs. Take time to become an expert about your product, including history, features, functions, strengths and limitation. A successful, expert salesperson is able to understand his product from all angles and then adapt the product presentation to align with customer demands. Knowing what to say is important, but knowing how to say it will give you an extra edge. Your presence and nonverbal communication can send a strong message to the customer. Sending a positive signal is simple: keep good posture, make eye contact, be well groomed and monitor gestures. Professional expertise is gained through interactions and tenure on the job. Obtaining job-specific credentials through continued education, licensures and designations, and other industry-specific certifications can help sales agents develop a deeper understanding of the real estate field.

THINK POINT #3: Gain the customer's trust

In addition to professional competence and know how, integrity and trust are two significant values that drive credibility. Building a strong character is a result of consistency in one's actions, attitudes, and values. If you make an agreement or promise to the customer, make sure you adhere to your word. Having an optimistic and positive outlook toward your work enables the customer to feel comfortable and confident in your abilities. A solid reputation cannot be earned overnight. Earning trust and credibility with your customers and within your community will pay dividends down the road. Participating in community outreach programs, serving on local committees, and investing in other community activities is important both for personal and professional development. If the salesperson is straightforward and dependable, he will gain the customer's trust much more quickly than someone who is not.

THINK POINT #4: Understand the customer's needs

The salesperson must be able to learn what the customer's goals and objectives are in order to address their needs. Effective communication is imperative when trying to relate to the customer. You must ask the right questions in order to get the right answers. Preliminary research about the customer through LinkedIn or other social media mediums may also help you get a better idea of who they really are. Encouraging interaction will enable a salesperson to monitor the quality of the relationship. The proactive salesperson will address potential problems before the customer

begins to have doubts. Following up with the customer after a purchase to resolve any conflicts created in the closing process can generate long-term value in the relationship.

Recommended Reading

Kahle, Dave (2011). *How to Sell Anything to Anyone Anytime*, Pompton Plains, NJ: Career.

About the Author

Drew Johns, M.B.A. Candidate, May 2011, Baylor University
Graduate Assistant, Keller Center for Research
Drew is a second-year graduate student from Mansfield, TX. He earned his BBA with a major in finance from Baylor University.

Effective Information Management – A Key Lever to Realizing Sales Productivity Gains
By William A. Weeks, DBA and Charles Fifield, MBA

In today's fast-paced, competitive marketplace, effective information management is arguably the most powerful non-employee lever to trigger sales productivity and market position gains. Products can be copied. Processes can be cloned. Services can be imitated. Valued employees can be relocated. So how does a sales organization create consistent market growth and a sustainable competitive advantage? The answer lies largely in its ability to acquire, interpret, transfer, share, assimilate and retain quality and timely market-based information. In particular, current customer and order processing knowledge are critical to sales productivity gains.

The success of a firm's prospect-to-satisfied customer cycle of operations is largely dependent on how well its relationships, both internal and external, remain seamlessly connected. Effective and efficient information sharing is the key to organizations potential to work smarter and faster. Accordingly, numerous sales organizations have adopted the enhanced communication and management control capabilities of modern, customer-focused information technology systems.

A well-organized sales-related information technology toolbox includes the following: sales force automation (SFA) and financial management connectivity, customer relationship management (CRM), e-commerce, and total mobility.

In order to highlight the observations and principles that are contained in this discussion, an actual case history has been provided as an addendum. The study is a large national real estate sales organization that recently implemented a fully integrated information management suite system through the NetSuite Corporation. NetSuite's CRM products employ leading edge technology and enable users to better collect, organize and manage critical business information.

Sales Force Automation (SFA) and Financial Management Connectivity

Salespeople are challenged to do more in less time and information sharing advancements have become an integral part of the personal selling and sales management process. SFA technology converts manual sales activities into electronic processes through the use of various combinations of hardware and software applications (Rivers and Dart 1999). SFA occurs when organizations computerize routine tasks or adopt technological tools to improve the efficiency or precision of sales force activities. Tools can be applied to diverse tasks like scheduling, contact management, creating sales plans, forecasting, mapping out sales routes, prospecting, documenting buyer objections, making sales presentations, retrieving product information, and configuring product specifications (Widmier, Jackson, and McCabe 2002).

Worldwide spending on SFA tools has grown at an annual rate of 27% to reach $3.2 billion in 2007 and is forecast to reach almost $9 billion in 2012 (Cascio, Mariadoss, and Mouri 2010).

Helping salespeople sell to consumers more effectively and efficiently, SFA has great potential for the collection and dissemination of marketing information and the development of value-added customer relationships (Ahearne et al. 2008).

Organizations have implemented SFA solutions for a variety of reasons, such as a need to decrease the sales cycle, an increased need to share information between departments within a company and with selected outside parties, and simply to keep up with the competition (Erffmeyer and Johnson 2001). If successfully implemented, SFA has offered strategic advantages such as improved speed or response, improved accuracy, greater synergy through improved communications, and cost saving.

A firm's support systems are important to the success of the individual salesperson in accomplishing both administrative and reporting responsibilities. Such support also has a significant effect on the salesperson's ability to achieve sales and profitability goals.

Travel reimbursement forms that typically would have been submitted either by hand or mail are submitted using the SFA system (Ko and Dennis 2004).

Sales technology now allows salespeople to determine their commissions earned based on closing specific customer sales, as well as hitting their sales quotas. Also, management forecasts are materially improved due to up-to-date sales cycle entries and the application of company developed probability factors.

Customer Relationship Management (CRM)

Sales by providers of CRM systems have steadily grown in recent years. The relative success of a CRM initiative is heavily influenced by the interplay between three key elements: people, processes and technology. People are those who are responsible for executing an organization's day-to-day CRM tasks, processes relate to how CRM tasks will work together to help create value for the organization and its customers, and technology serves to either help employees execute CRM tasks or automate the tasks altogether (Zablah, Bellenger, and Johnston 2004).

E-Commerce

Many organizations are changing the firm's sales strategy from relying primarily on offline channels (i.e., salespeople) to online channels (i.e., Internet sales) when going to market. The increasing emphasis on online sales channels represents a fundamental change in the sales strategy of traditional, brick-and-mortar organizations (Sarin et al. 2010).

E-commerce provides organizations an opportunity to use customer portals to gain visibility for the organization and sourcing of leads, which can be distributed to salespeople. This reduces the time salespeople spend on gathering leads, gives the organization an opportunity to better qualify the leads, and pass on to salespeople leads who are more likely to make a buying decision.

Total Mobility

Business-to-business salespeople operate in a boundary-spanning role, which requires frequent travel and time away from the office. Today's systems are often web-based enabling salespeople to have 24/7, location invariant access to customer records and be able to make quicker and more responsive decisions.

Such sales technology usage has changed the methods of selling. It enables salespeople to more responsively answer the queries of customers and to more effectively provide competent solutions (Rapp, Agnihotri, and Forbes 2008). With a touch of the keyboard on a mobile device, salespeople can determine current inventory levels in response to customer questions, as well as the status of an order in process. Furthermore, having up-to-date customer information available on a cross-functional basis allows personnel to be well informed about each customer and then respond to customer needs in a more timely fashion.

Creating and disseminating current competitive and market information to salespeople as it becomes available as opposed to printing and mailing materials is another market gain. Subsequently, this can reduce time spent on support activities and thereby increase time spent actively selling.

Silo Approach versus Integrated System Approach

Historically, organizations have used more of a silo approach regarding the management of the back-office (accounting, payroll) and front-office functions with limited communications between these areas. With the introduction of web-based software, even small- and medium-sized organizations are now able to integrate the accounting, customer relationship management, and ecommerce (website, customer portal) into a single powerful application (see Figure). Companies can now better connect departments, automate processes, and gain unparalleled insight into their business. This integrated data approach also ensures that with one data repository, you can be certain that all users view and use accurate and up-to-the-second information. Compared to traditional software, by using web-based software, organizations no longer have to purchase hardware or maintain and upgrade software.

The web-based approach also offers users customizable dashboards that provide invaluable real-time visibility to key performance metrics, supporting intelligent and timely business decisions. Salespeople now have the capability of viewing the status of any activity in their pipeline including leads, commissions, sales revenue, communications, forecasts, and commissions while other functions can view bank balances, receivables and payables, anywhere and anytime. Furthermore, 360-degree visibility into customer relationships and their related orders results in more efficient and highly personalized sales, fulfillment and service processes, engendering improved customer satisfaction, increased referrals, and increased cash flow and profitability.

The Impact on Customer Relationship Dynamics

Notably, modern sales-related information management technology has materially changed the customer relationship and personal selling landscape. Personal selling has progressively evolved from the selling of a product or service to counselor or solution-based selling to what can be described as today's "experience" selling. A "total" relationship approach necessitates sales organizations to develop technological and system-oriented capabilities to better define, collect, access, analyze and communicate value-adding information with all stakeholders involved in the buyer-seller relationship, including the sales representative who often is the primary customer relationship contact.

Why is New Technology So Difficult to Adopt?

The strategic implementation of a comprehensive information system within the sales organization remains among the most challenging responsibilities of senior marketing and sales managers. Despite the growing awareness and popularity of modern information management tools, reported failure rates for implementations remain remarkably high, estimated to be as high as 75% (Schillewaert et al. 2005).

This level of failure can sometimes be explained if salespeople are not motivated to adopt technology into their sales roles because they cannot visualize what is in it for them, nor believe there is any real organizational support behind the new technology. Therefore, organizations can invest large amounts of money into new technology and experience an unacceptable ROI due to inadequate sales force adoption. A lack of sales management follow up with salespeople can also help explain why the technology is not being properly used. Without buy-in from the sales force and follow up by management, the technology initiative can be doomed. One way to circumvent the adoption hurdle is by soliciting sales force involvement in the early stages of the process and by incorporating this subject in sales training programs.

Other potential reasons that sales technology initiatives fail are:

1. Lack of affective metrics or measures (Erffmeyer and Johnson 2001)

2. Information overload (Beltramini 1988)

3. Increased fears of being monitored by management (Sviokla 1996)

4. Inadequate training (Rasmussen 1999)

5. Poor systems design (Beltramini 1988)

Summary

Modern information technology is an essential tool for the sales organization seeking substantial improvement in sales productivity and market share performance. To be complete, the chosen system should contain the four main platforms or components of a system-oriented business management software suite: sales force automation (SFA), finance and accounting, customer relationship management (CRM), and e-commerce. To maximize the suite's performance, all components should be seamlessly integrated and dashboard visibility is highly recommended. For ease of implementation and to enhance long-term design flexibility, a web-hosted approach best fits the needs and budgets of small- and medium-sized sales organizations.

After being effectively implemented, sales productivity gains should be quickly realized as a direct result of improved agent sales funnel performance – doing the right things more often and doing them faster as well as more efficiently. Furthermore, the regular and consistent collection, analysis and dissemination of customer relationship details should result in a more value-adding long-term customer experience.

References

Ahearne, Michael, Eli Jones, Adam Rapp and John Mathieu (2008), "High Touch Through High Tech: The Impact of Salesperson Technology Usage on Sales Performance via Mediating Mechanisms," *Management Science*, 54 (4), 671-685.

Beltramini, Richard F. (1988), "High Technology Salespeople's Information Acquisition Strategies," *Journal of Personal Selling & Sales Management,* 8 (1), 37–44.

Cascio, Robert, Babu John Mariadoss and Nacef Mouri (2010), "The Impact of Management Commitment Alignment on Salesperson' Adoption of Sales Force Automation Technologies: An Empirical Investigation," *Industrial Marketing Management*, 39, 1088-1096.

Erffmeyer, Robert C. and Dale A. Johnson (2001), "An Exploratory Study of Sales Force Automation Practices: Expectations and Realities," *Journal of Personal Selling & Sales Management*, 21, (2), 167-175.

Ko, Dong-Gil and Alan R. Dennis (2004), "Sales Force Automation and Sales Performance: Do Experience and Expertise Matter?" *Journal of Personal Selling & Sales Management*, 24 (4), 311-322.

Rapp, Adam, Raj Agnihotri and Lukas P. Forbes (2008), "The Sales Force Technology—Performance Chain: The Role of Adaptive Selling and Effort," *Journal of Personal Selling & Sales Management*,28 (4), 335-350.

Rasmusson, Erika (1999), "The Five Steps to Successful Sales Force Automation," *Sales & Marketing Management,* 151 (3) 34–40.

Rivers, Mark L. and Jack Dart (1999), "The Acquisition and Use of Sales Force Automation by Mid-Sized Manufacturers," *Journal of Personal Selling & Sales Management*, 19 (2), 59-73.

Sarin, Shikhar, Trina Sego, Ajay K. Kohli, and Goutam Challagalla (2010), "Characteristics that Enhance Training Effectiveness in Implementing Technological Change in Sales Strategy: A Field-Based Exploratory Study," *Journal of Personal Selling & Sales Management*, 30 (2), 143-156.

Schillewaert, Niels, Michael J. Ahearne, Ruud T. Frambach, and Rudy K. Moenaert (2005), "The Adoption of Information Technology in the Sales Force," *Industrial Marketing Management*, 34, 323-336.

Sviokla, John J. (1996), "Knowledge Workers and Radically New Technologies," *Sloan Management Review,* 37 (Summer), 25–40.

Widmier, Scott M., Donald W. Jackson, and Deborah Brown McCabe (2002), "Infusing Technology into Personal Selling," *Journal of Personal Selling & Sales Management*, 22 (3) 189–198.

Zablah, Alex R., Danny N. Bellenger, and Wesley J. Johnston (2004), "Customer Relationship Management Implementation Gaps," *Journal of Personal Selling & Sales Management*, 24 (4), 279-295.

Figure 1.1

NetSuite case study

NETSUITE

Customer Success Story

Prudential Locations LLC

Company
Prudential Locations LLC

Industry
Services

URL
www.prudentiallocations.com

Headquarters
Honolulu, HI

NetSuite Product
NetSuite CRM+

NetSuite Users
350

Using NetSuite for
Sales force automation, Customer support, Marketing automation

Prudential Locations LLC

Prudential Locations Enjoys Skyrocketing Agent Productivity With NetSuite CRM+

"There was nobody out there offering real estate vertical capabilities that we needed, so we knew we needed a solution that was both powerful and easy to customize. NetSuite was the most flexible architecture for our needs. We couldn't possibly communicate with the kind of frequency and consistency we need without it."

— Prudential Locations LLC

Challenge
- Prudential had accumulated extensive data on virtually all Hawaii real estate transactions, but lacked efficient way to expose data to agents and sales managers
- Needed a solution which could blend real estate market data with customer data
- No off-the-shelf solution supported the workflow Prudential wished to implement, requiring a platform with powerful customization capabilities
- Needed a solution that would provide cost-effective and insightful customer communication methods in both peaks and valleys in the real estate business cycle

Solution
- Over 300 users now on Prudential's NetSuite environment
- NetSuite providing a powerful and reliable platform for core CRM and custom functionality
- All agent contacts with prospects and clients now recorded in uniform fashion in NetSuite CRM+, providing full sales cycle history
- Automated e-mail campaigns keep prospects warm with minimal need for agent or administrative action
- Flexible NetSuite platform provides future expansion opportunities to the property management side of the business

Results
- Delivering 1.5 million e-mails on behalf of agents every year
- 98% buy-in from 240 independent real estate agents who pay to subscribe to Prudential's NetSuite-based service platform
- Integration between NetSuite CRM+ and Prudential Web portal populates browse and search activities into customer records, providing agents with important insights into client desires
- Agents now have more sales tools with which to re-engage past clients and prospects, leading to greater sales among established customer base
- Sales coaches and managers now have impartial data about agent activity and productivity, allowing faster reporting and freeing more time for agent development
- Agents now able to manage up to 10X more relationships than was possible using previous solutions.

Customer Success Story: *Prudential Locations LLC*

Figure 1.2

One Integrated System to Manager your Entire Business

About the Authors

William A. Weeks, DBA
Professor of Marketing, Baylor University's Center for Professional Selling
Bill Weeks' (DBA, Indiana University) primary research interests focus on perceived organizational ethical climate, role stress, time congruity, and alignment in the sales force context. His work has appeared in the *Academy of Marketing Science, Journal of Personal Selling & Sales Management, Industrial Marketing Management, Journal of Business Research, Journal of Business Ethics, European Journal of Marketing, Journal of Professional Services Marketing, Journal of Marketing Education, Marketing Education Review*, as well as other publications.

Charles Fifield, MBA
Senior Lecturer and Sales Coach, Baylor University's Center for Professional Selling
Chuck Fifield is a Senior Lecturer for Baylor University's Hankamer School of Business, Marketing Department and serves as the faculty coach to Baylor's Sales Team and Uproar Music and Entertainment Group, a student managed business. He joined the faculty at Baylor University in 2001, where he has also taught in the Graduate Business School (Operations Management), the Management Department (Negotiations and Conflict Resolution) and the Economics Department (Principles of Macroeconomics). Chuck has taught or guest lectured at other Texas-based Universities in the fields of sales, international business, money and banking and finance/investments. Professor Fifield has conducted sales research and training for several organizations, including most recently State Farm Insurance. Prior to joining Baylor, Chuck was a financial consultant for nearly thirty years to businesses located throughout the U.S. He owned and operated several financial service businesses in the fields of securities, real estate, oil and gas and insurance.

Contributors

Steven Bell, MBA Candidate, December 2011, Baylor University
Graduate Assistant, Keller Center for Research and Center for Professional Selling
Steven is a graduate student from Cuero, TX, currently pursuing an MBA degree with a concentration in entrepreneurship. He earned his BBA in general business from Texas A&M University – Corpus Christi.

Andrea Dixon, Ph.D.
Editor, *Keller Center Research Report*
Executive Director, Keller Center for Research and Center for Professional Selling
Frank M. And Floy Smith Holloway Professorship in Marketing, Baylor University
Dr. Andrea Dixon (PhD - Indiana University) is the Executive Director of the Keller Center for Research and the Center for Professional Selling. She holds the Frank M. & Floy Smith Holloway Endowed Professor in Marketing at Baylor University. Coming from an industrial background in research, planning and advertising, her research interests embrace behavioral issues related to sales, service and client satisfaction. Andrea has published in the *Journal of Marketing*, *Harvard Business Review*, *Organizational Science*, *Journal of the Academy of Marketing Science*, *Leadership Quarterly*, the *Journal of Personal Selling and Sales Management*, *The Journal of Satisfaction*, *Dissatisfaction and Complaining Behavior*, and several other journals. In 2002, Dixon's research published in the *Journal of Marketing* was selected as the award-winning research in the sales area.

Prior to joining Baylor, Dixon was the Executive Director of the MS-Marketing Program and the Ronald J. Dornoff Teaching Fellow at the University of Cincinnati. She has co-authored the book, Strategic Sales Leadership: BREAKthrough Thinking for BREAKthrough Results, and multiple industry-wide research texts. Dixon serves on two editorial review boards and co-chaired the American Marketing Association's 2007 Winter Educator Conference. While serving as a faculty member at the University of Cincinnati (U.C.) and Indiana University-Bloomington (I.U.), Dr. Dixon taught an array of graduate and undergraduate courses. One of U.C.'s MBA EXCEL Teaching Award winners, Dixon was selected for a national teaching award by Irwin Publishing, as a distinguished professor by Indiana University MBA students, and for a university-wide award by her academic colleagues at I.U. In 2008, she was named the Academy of Marketing Science's Marketing Teacher Award winner. Prior to teaching at U.C., Andrea worked closely with GAMA International as the Senior Director of Product Development and Marketing.

Charles Fifield, MBA
Senior Lecturer and Baylor Sales Coach, Baylor University
Chuck Fifield is a Senior Lecturer for Baylor University's Hankamer School of Business, Marketing Department and serves as the faculty coach to Baylor's Sales Team and Uproar Music and Entertainment Group, a student managed business. He joined the faculty at Baylor University in 2001, where he has also taught in the Graduate Business School (Operations Management), the Management Department (Negotiations and Conflict Resolution) and the Economics Department (Principles of Macroeconomics). Chuck has taught or guest lectured at other Texas-based Universities in the fields of sales, international business, money and banking and finance/investments. Professor Fifield has conducted sales research and training for several organizations, including most recently State Farm Insurance. Prior to joining Baylor, Chuck was a financial consultant for nearly thirty years to businesses located throughout the U.S. He owned and operated several financial service businesses in the fields of securities, real estate, oil and gas and insurance.

Drew Johns, MBA Candidate, May 2011, Baylor University
Graduate Assistant, Keller Center for Research
Drew is a second-year graduate student from Mansfield, TX. He earned his BBA with a major in finance from Baylor University.

Michael Rodriguez, Ph.D.
Assistant Professor, Department of Marketing and Entrepreneurship, Elon University
Michael Rodriguez is an assistant professor at Elon University in Elon, North Carolina. His research interests include customer relationship management (CRM), social media, and sales leadership and management. He has published articles in *Industrial Marketing Management*, *Journal of Sales and Major Account Management* and *International Journal of Business Innovation and Research*.

Casey Ray Rusk, NALP
Graduate Student, M.S. Family and Consumer Science with a Concentration in Residential Property Management, Ball State University
Casey Rusk, NALP, graduated from Ball State University with a Bachelor of Science in Marketing in May of 2010. Casey is currently getting is Masters at Ball State University in Family and Consumer Sciences with a concentration in Residential Property Management. Casey has done several internships in sales, marketing, social media and is currently working with Barrett & Stokely Inc, an Indianapolis-based multi-family housing company.

Stacey Schetzsle, PhD
Assistant Professor, Department of Marketing and Management, Ball State University
Dr. Stacey Schetzsle (PhD-Purdue University) is currently an assistant professor in Marketing and Management, specializing in professional selling and sales management, at Ball State University. After receiving her undergraduate degree in selling and sales management at Purdue University, she spent three years in business-to-business sales and corporate training before returning to Purdue to earn a master's degree and PhD. She has worked on several consulting projects, focusing on a variety of personal selling, sales management, and leadership areas. Her teaching has been focused on professional selling, advanced selling, corporate partner development, and executives in the classroom series, sales internship programs, and marketing.

Her research interests include behavior issues related sales and sales management. Specific topics include sales team cooperation, sales education, and trending topics in the sales field.

Curtis Schroeder, MBA Candidate
Associate Editor, *Keller Center Research Report*
Assistant Director, Keller Center for Research and Center for Professional Selling
Baylor University
Curtis Schroeder graduated from Baylor University with a Bachelor of Business Administration in Marketing in 2009. Curtis currently serves as the Associate Editor of the *Keller Center Research Report* and as the Assistant Director of the Keller Center for Research and the Center for Professional Selling at Baylor University. Curtis is also pursuing a Masters of Business Administration from Baylor University and expects to graduate in 2014.

Kirk L. Wakefield, PhD
Edwin W. Streetman Professor of Retail Marketing, Baylor University
Since arriving at Baylor University in 2002, Professor Wakefield has planned, initiated, and successfully executed plans for the creation and development of three unique programs housed in the Department of Marketing, including the Sports Sponsorship & Sales program and its advisory board of 25 major league teams, the Music & Entertainment Marketing program with its own student-run record label (www.uproarrecords.com) and entertainment company, and the $5 million endowment for the Keller Center for Residential Real Estate Marketing.

Dr. Wakefield's research in retailing covering almost two decades focuses primarily upon fan and consumer response to pricing and promotional tools. This work appears in the *Journal of Retailing* (1993, 1996, 1998, 2003), *Journal of Marketing* (2007, 2010), and *Journal of Consumer Research* (2010), among others. His research measuring consumer response to sports sponsorships can be found in the *Journal of Advertising Research* (2006) and *Journal of Advertising* (2007, 2010). Dr. Wakefield has received awards for his research published in the

Journal of Retailing (2003), *Journal of Personal Selling & Sales Management* (2006), and *Journal of Marketing* (2007).

William A. Weeks, DBA
Professor of Marketing, Baylor University's Center for Professional Selling
Bill Weeks' (DBA, Indiana University) primary research interests focus on perceived organizational ethical climate, role stress, time congruity, and alignment in the sales force context. His work has appeared in the *Academy of Marketing Science*, *Journal of Personal Selling & Sales Management*, *Industrial Marketing Management*, *Journal of Business Research*, *Journal of Business Ethics*, *European Journal of Marketing*, *Journal of Professional Services Marketing*, *Journal of Marketing Education*, *Marketing Education Review*, as well as other publications.