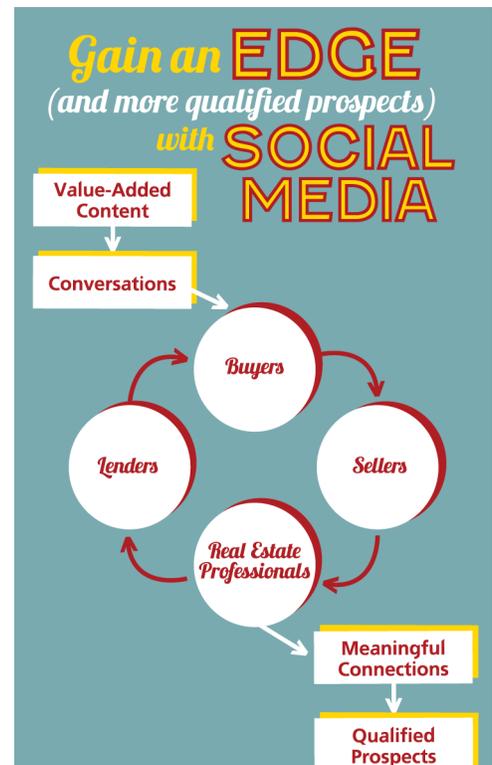


Making Social Media Effective In Real Estate

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.

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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.

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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.

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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.

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