

MLS Listing Consumer Websites

Five keys to a successful consumer-facing website

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Sponsored by MRIS and Local Matters



Introduction

It wasn't that long ago that the big debate for real estate boards and MLSs was whether or not to sponsor an MLS listing consumer website. Now there are more than 300 such websites. Based on a recent survey conducted by Focus Forward, 24% of MLS respondents that don't currently provide a consumer website are now considering it. The top two reasons listed by survey respondents as to why they don't currently offer an MLS listing consumer website are: key brokers and leadership don't want it, and membership is not asking for it. Nonetheless, momentum toward creating such websites is building. The trend for MLS listing consumer websites is clearly on the rise as brokers start to leverage the MLSs while the MLSs are looking for additional value-added services for the brokers.

The objective of this paper is not to tell you whether or not your board or MLS should provide a listing website for consumers. This paper is intended to help you achieve a higher degree of success with your MLS listing consumer website, if you already have one or are considering introducing one as an additional subscriber benefit. The paper will also describe five keys to success, top features of great MLS listing consumer websites, and other valuable insights from industry experts who were interviewed for this paper.

What Consumers Want — Consumers Get!

Let's begin with the understanding that an MLS listing consumer website is developed and designed primarily for use by the home-buying public, while recognizing that real estate professionals may also use it. In fact, some MLS listing consumer websites have broader market data and more innovative features than some local MLS systems, making the MLS listing consumer websites useful and valuable to both professionals and the public alike.

Regardless of the mix of users, the focus of the MLS listing consumer website should be on what consumers want — and they want it all! They want everything real estate — accurate and up-to-date information, without conflicts like forced registration or distractions such as pop-up ads. The home-buying public prefers impartial listing websites; those that are free of bias or referrals. One thing they do value is the opinions and input of other home seekers just like themselves, and so ratings about agents are of significant interest. Consumers want to know about properties that exist and that might be of interest to them, based on similar searches and feedback from others.

At some point in the process of buying or selling a home, most consumers will seek out the services of an expert — a professional advisor who will guide them through the process. To meet this need, a website feature that provides additional information or assistance in selecting an agent, as well as searching homes for sale, would benefit the site user.

Consumers want access to the data on available listings, coupled with convenience and easy-to-use tools for searching and interpreting the data. We will discuss some popular features and tools later in this paper:

“Seekers of real estate information will emulate water, taking the path of least resistance to find what they are looking for. The easier it is to find, the greater chance that it will be found. Listing data will also emulate water, finding its way to many destinations on the web, through a number of different sources.”

— Saul Klein

Who Will Provide the Best Solutions Going Forward?

In markets where the MLS has not offered a compelling real estate listing search, consumers currently use a variety of independent listing websites that are not sponsored by boards, MLSs, brokerages or franchises. While the MLS is the neutral source for information on listings, to date many MLSs have been reluctant to provide direct consumer access to listing information. This has left a void that has been filled by national and regional internet marketing companies that offer the home-buying public a place to start their search on the Web. Frequent reports about increased usage of many independent listing websites like Realtor.com, Yahoo, Zillow, ZipRealty, Google, Trulia and others helps to confirm the growth in popularity of independent listing websites.

Many consumers understand the MLS is the source of most listing information. Some see the MLS as the “Switzerland” of the industry. Consequently, there is no reason why an MLS cannot have the advantage over these large, independent listing websites by having and marketing its site as the ‘purest’ (most neutral) site to the home-buying public. In addition to marketing the neutrality of the MLS listing consumer website, the MLS can communicate that its website contains the best data available — that the listings it offers are consistently and reliably the most up to date that are going to be found on the Web.

There are a few other areas where the independent listing websites have been outpacing some MLS listing consumer websites including, for example, that they have overcome obstacles to offer data that crosses traditional MLS borders, providing access to the entire market. Unlike many MLSs that have been confined to local boundaries, the independent listing websites have not been held back geographically and they typically offer borderless information. However, more recently, thanks in part to data sharing and improved standards and

technology, the traditional MLS boundaries and limitations for broader listing display are disappearing. MLSs can more easily compete with the national independent listing websites, providing a compelling end-user experience with listings for an entire natural market area.

Many of the independent listing websites increasingly provide tools for the consumer that make it easier to learn about real estate online, including increased market data such as neighborhood and school information, powerful searches and integration with social media. Until recently, they have been the innovators for the most part, but the MLSs are quickly catching up by providing tools and features expected by consumers.

Build It or Buy?

Boards and MLSs have many options when it comes to offering a successful MLS listing consumer website. The choice of how to create it generally falls into one of two categories – either to build it or buy (i.e. license) it from an outside provider.

The main benefit of building a solution is the high level of control the MLS has over the final product. With a custom-built solution, the MLS can customize the functionality and look and feel of the site and make changes whenever they are desired. However, this approach carries a much higher risk in terms of costs and budgeting and time to market. Not all MLSs have the experience, skills and resources to develop a high-quality listing consumer website on their own. Further, building it in-house may distract the MLS from providing core services to subscribers.

Beyond the build period, the website itself must be refreshed as a part of a competitive strategy to keep up with innovations seen on the independent listing websites nationwide. Most MLSs do not have the resources required to continually innovate in the way that a company specializing in listing sites for consumers can. It becomes a question of where the MLS will dedicate its resources for technology development. Consider that more than 800 MLSs buy or license their software to power their subscribers-only MLS system, while only about 20 MLSs across the country develop and maintain the software and systems themselves. Even MRIS (a co-sponsor of this paper), which built its MLS on a robust platform for its MLS subscribers, chose an outside vendor for its listing website for consumers. Given the reluctance of many companies to hire more staff in the current economic climate and the requirements for additional, different skill sets that are not inherently part of the MLS infrastructure, it's very likely that the majority of MLSs will contract with an outside provider.

The most common approach to procuring an MLS listing consumer website is to contract with the current MLS vendor. This vendor typically hosts the MLS system, it understands the property types and data, plus the MLS knows who it is dealing with based upon the existing vendor-client relationship. According to a 2009 Clarity Consulting study, about 73% of MLSs use their MLS vendor for at least the search portion of their MLS listing consumer websites.

Alternatively some MLSs contract with providers like Local Matters (a co-sponsor of this paper) that specialize in consumer websites as their core competency. When it comes to designing compelling consumer websites, experience counts. Some MLSs have also engaged an IDX vendor for this purpose, but this solution may create a conflict between a broker that has already engaged the same IDX service provider and its MLS if the websites are too similar in functionality or look and feel.

Most MLSs are making the choice, just as they have with their MLS system, to license their MLS listing consumer website rather than deal with the expenses related to a custom-built website and required maintenance. Many are considering moving away from limited functionality websites provided for free or at low cost by some MLS vendors. They've realized that offering a non-compelling site to the home-buying public provides little or no value to the subscribers, yet results in real costs to the MLS. Consequently, some MLSs are looking at their options for licensing a high-value listing consumer website from other sources.

Five Keys to a Successful MLS Listing Consumer Website

While dozens of factors determine the overall success of each MLS listing consumer website, our research into top-performing consumer real estate listing websites shows five key areas of focus.

1. **Success starts with a clear understanding of what you want to achieve and a written business plan.** This may seem obvious, but it is especially important because developing an MLS listing consumer website is time consuming, expensive and requires an ongoing commitment by staff and leadership. If you already have an MLS listing consumer website, you already know this! However, it may be time to update your strategy and your website with a new and improved offering. This was the case for MRIS in 2008 when it launched the redevelopment project for its MLS listing consumer website, HomesDatabase.com.

The business plan should address your longer-term strategy for the website, and the brand that your MLS wishes to create. It should convey a clear understanding of consumer needs and behavior; lay out plans for the ongoing promotion of the site, including advertising, and how you will measure success going forward. In MRIS' case, they set out to build HomesDatabase.com based on its commitment to connect consumers with MLS subscribers through an engaging and advertising-free site. Customer loyalty is built through a great consumer experience. Local Matters worked with MRIS to design HomesDatabase.com so that the site would provide the most complete, accurate and up-to-date listing information available directly from the MLS. MRIS chose to enhance its subscribers' value proposition by providing extensive reporting to the brokers and agents — to help them make more relationships and increase earnings.

- 2. Select strong and proven partners who are experts in online consumer behavior and websites.** During your evaluation process, consider and compare all of the options including custom-building your site, and buying or licensing the solution and technology from your MLS vendor or other providers with expertise in this area. Your partners should know how to increase the activity on your site through SEO (Search Engine Optimization), SEM (Search Engine Marketing), and other forms of advertising. They should be committed to constant innovation and leading, or at least keeping up with, the rest of the industry since they are specialists in what they do.
- 3. Offer the best features and functionality.** The best websites continuously innovate by adding new and improved tools and features. Staying ahead of or keeping up with the leading national independent listing websites can be challenging — another reason to select strong and experienced partners. The features and navigation should be grounded in consumer market research as well as matching or even leading what popular independent listing websites are offering.

The following elements make real estate listing websites more compelling to consumers. Include these site features in your long-term strategy for your MLS listing consumer website. A number of them may be implemented in phases, as you extend the budget for the project and learn more about the needs and wants of home buyers in your region.

- Powerful, easy-to-use listings search.** Real estate listing websites should make it easy for the consumers to narrow their search and find the amenities that they are looking for. If the consumer can start with a simple search box (like Google or Bing), sometimes known as “Natural Language Queries,” and type a community name and amenity, it makes their search a lot easier. Do they have to “ping pong” back and forth between search results and their search criteria, or have you made it easy for consumers to adjust their search on the fly? Do the search results contain property images large enough to give the consumer a sense of the property without clicking to see the detail on each one of the search results? Can they sort by how “fresh” the listings are, so when they return to your site they don't have to sort through all the listings to find the new ones? Can they see all the properties that match their search on a map? Can they search for open houses and create driving directions to set their route? If your site doesn't make it easy to find exactly what the consumer is looking for, they will go somewhere else.
- Additional content.** Market data and statistics are highly valued by consumers — especially when integrated into the property search so they can understand market trends for the specific geographic areas they are searching. Neighborhood, school and demographic information are all important — and be sure to include these details alongside the listing information. It's not convenient for the consumer to have to visit third-party websites for this information. Websites like Zillow have raised the bar for providing comprehensive and recent “sold” data for nearby properties, and “AVMs” for the property being viewed.
- “Push” notifications.** Are there features that keep potential home buyers coming back to the site, such as notifications of new search result matches, open houses that meet their criteria, price changes on saved search results or saved listings? What about a custom RSS feed so they can see new matches on their Google home page or another RSS-enabled application?
- Integration with the social web.** The Web is increasingly becoming more social in nature, a trend confirmed by Kelsey/BIA and other analysts. Forrester's Jeremiah Owyang says, “Consumers will rely on their peers as they make online decisions.” In the past five years, popular social networking websites have had a profound effect on how consumers shop for everything. Dynamic websites that encourage interactions between people and provide tools for creating new and additional content are thriving. On the flip side, static websites that provide just listing content are becoming less favored by the major search engines and subsequently are found and used by fewer consumers.
- Websites with MLS and user-supplied content.** (information and ratings — not just data about properties, neighborhoods, schools) are much more interesting to consumers than websites that have just listings. Allowing the consumer to share listings with others including their agent, family members and friends is key, and this sharing can be via email, text message, or integrations with social networking websites.

4. **Know how to measure your ongoing success.** Many real estate listing websites brag about numbers of hits, unique visitors and page views. That's one way to measure things – from a sheer quantity perspective. However, more meaningful measures of success should be grounded in your business plan based on additional metrics that are more actionable. For example:

- **Attracting consumers:** How are consumers finding the site? Where are they located?
- **How are they using the site?** What words, locations, or prices are consumers using when searching? How often are each broker's listings searched and viewed?
- **Most importantly, how many leads are produced?** How often do consumers click through for more information? What is the most popular way to connect with agents — email, telephone? Which agents generate more leads from the website, and why?

These insights are much more meaningful to you and your MLS subscribers than just the number of visitors. You are looking to understand how well your MLS listing consumer website is connecting with consumers and the value it is providing to both consumers and agents. It is not enough to understand these internally; you need to think about and plan for learning from these metrics and communicating back out to your subscribers via web and email-based reports on a periodic basis. Be thinking of these quality metrics from the start of your website design and involve your partners in the conversation.

5. **Constantly demonstrate the value to your MLS subscribers.** Your subscribers need to be reminded of what you are doing for them over and over again. Successful MLS listing consumer website operators provide: detailed Internet traffic reports educating the subscribers about the usage of the system as described above the number of free leads that are generated through the site where the visitors are coming from number of click-throughs trends related to the number of visitors, and the number of times each broker's listings are searched and viewed.

For example, MRIS provides its subscribers a weekly e-newsletter about such activity on HomesDatabase.com . Brokers, who are MRIS subscribers, also can run reports on website traffic and activity through an application called ListHub available as part of their MLS subscription. This represents valuable information, which is difficult to get by other means or from other website operators.

Conclusion

It's time to move beyond the debate about whether MLSs should operate listing consumer websites — more than 300 MLSs are doing it now and it is likely many more will follow. Consumers are looking for information about real estate that is accurate, up to date and offered without advertising, forced registration, and other distractions. They are looking for impartiality and help in finding a home and selecting an agent or broker, at the right time.

Because MLSs are the sources of the listing data, they are well-positioned to offer these listing consumer websites, which, in turn, provides valuable information to the brokers about consumer behavior; and helps the MLS subscribers understand consumers better, fostering relationships that result in a sale.

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In addition to our core MLS services, the MRIS service also powers HomesDatabase.com, an innovative and popular consumer real estate search site. HomesDatabase.com is designed to meet the demands of today's consumer and to represent our brokers, agents, and listings to create real value. Featuring intuitive natural language search, a suggestion engine and a compelling user experience, HomesDatabase.com is the only website offered directly to consumers from MRIS.

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