

updater.

Updater's recent feature in:

2020 Swanepoel Trends Report

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A Market Intelligence Report by T3 Sixty, LLC



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My 'go-to' reference... a phenomenal resource

The Swanepoel Trends Report is always one of my 'go-to' reference guides regarding future trends in the real estate vertical. Truly a phenomenal resource and one that provides great insight and value.

— Bob Goldberg CEO, *National Association of Realtors*

Gold standard for third-party independent scholarship

Comprehensive research and strategic planning are indispensable for future real estate success. The Swanepoel Trends Report represents the gold standard for third-party independent scholarship pertaining to this all-important process.

— Gino Blefari, CEO, *HSF Affiliates*

Unique insights and desire to go beyond the metrics

We greatly value the Swanepoel Trends Report. I have always felt the work is critically important to our industry because of the unique insights and desire to go beyond the metrics we all routinely look at. While there is quite a lot of industry discussion about disruptors, the impact of technology and the emergence of millennials, the report challenges us to think differently and offers unique ideas, suggestions and potential solutions.

— Charlie Young, President and CEO, *Coldwell Banker Real Estate*



Excerpt from the 2020 Swanepoel Trends Report for Updater



Redefining the Edge of the Real Estate Transaction

Post-transaction concierge services for consumers

The concept of providing services to consumers beyond the transaction is not novel or new. Many real estate brokers, and even some large franchise networks, currently offer, or have attempted to offer, these services to consumers. These efforts have largely been thwarted by the factors that impact anything outside a broker or agent's core business — lack of systems, difficulty in making the activity low cost and automatic, and not a large enough business incentive or opportunity.

The Concierge Experience

Given the movement of home purchase-and move-related services toward automation and systemization, several companies have begun to organize around providing what we call home concierge services to fulfill these offers with a software-as-a-service or a straightforward service offering.

This is a crucial piece of the emerging concierge service opportunity brokerages have, as many who have attempted to offer them have failed to realize that harnessing and providing these services to consumers can be a full-time business. Tapping into the companies that have sprung up offering this service – as a white-labeled offering in some cases – gives brokerages a sustainable way to augment their home-related services and revenue, without having to do all the work.



Concierge Companies

A number of companies have emerged that offer home-related services that brokerages can partner with. Below are some examples.

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Updater

Founded in 2010, Updater (updater.com) is one of the first companies that focused on home-related services for consumers during and after the transaction. Originally launched as a tool to merely help consumers update their address information, the company has since expanded to include a suite of moving- and home services-related activities that consumers can arrange through its application. These include:

- Moving services, including labor
- Junk disposal
- Shipping vehicles
- Home setup
- Utilities
- Cable, TV, internet
- Update address with 15,000 businesses, voter registration, and driver's license
- Discounts on home-related products and home services

Updater is only available to consumers through one of the company's business partners, which include brokerages.

Updater integrates into its brokerage users' backends, whether it be a digital transaction management platform or a CRM, and automatically sends Updater invites to the companies' clients branded to the agent, brokerage, as well as Updater. Consumer and move-related information comes preloaded from the integration. The workflow is automated; for example, when a transaction goes pending in the broker backend, Updater kicks in and sends parties their first intro to the Updater platform and then follows up throughout the moving process when they sign up.

Brokers and agents can customize Updater to include their preferred vendors including broker-preferred home warranty, inspection, and insurance providers.

Currently, Updater serves approximately 1,000 brokerage customers, including Realogy brands, Berkshire Hathaway Home Services, and RE/MAX. In August,

the company partnered with Lone Wolf to offer it as a part of the tech firm's ZipForm Plus digital real estate form software.

Publicly traded on the Australian stock exchange for a time before going private again in 2018 and with over 100 employees, Updater is probably the largest and most established of the concierge service companies. It has raised nearly \$100 million in total equity funding.

Brokerages pay a monthly subscription fee, which comes in tiers based on brokerage agent count. For example, for brokerages with 25 agents or less, they pay a fee of \$70 per month. Updater provides broker- and agent-branded communication and services around a consumer's move. Agents can choose to opt-out of the service.

How Concierge Services Work

Concierge services all follow a similar workflow related to brokerages and the real estate transaction. Understanding this flow will help brokerages make decisions about how to view the concierge service offerings and the customer's experience.

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Setup

A brokerage first sets up a concierge service. This involves several steps outlined below.

- **Customizing the services offered** – First, brokers configure the menu of services they will offer to their agents' clients and contacts. This will include the national and local services the concierge service already provides, and any services or partnerships the brokerage wants to specifically set up. Brokers can turn off services that are not a fit for their clients or market.
- **Setting up how the service gets customer data** – Brokers then determine how the service will get consumer data. In many cases, this will be a direct, technological integration with a transaction management platform, back-office system or company CRM platform. In some cases, brokers may prefer or need to manually bulk upload this information. In whatever way this data integration occurs, it will need to be established as a company process and automated as much as possible.

- **Customizing the branding, marketing, and content that goes to the consumer** – Different concierge service providers offer different branding and marketing opportunities in their systems. Some offer a white-label service or a “powered-by” co-brand option. Additionally, if the service sends emails or other outbound messaging to consumers such as text or mobile app notifications, brokerages may have opportunities to tailor these to fit their marketing message and voice.

The Concierge Process

Understanding the concierge process gives brokerages insight into what their agents and clients will experience, which will help them better present the opportunity to agents, so they see its value. The particulars of this process vary by service provider, but, fundamentally, the workflow follows the below steps.

- **Transaction or consumer data capture** – An agent or brokerage staff person will enter the consumer’s data into the concierge system. Or consumers enter it themselves if the system is marketed to them directly. Depending on how brokerages set up their data integration, the consumer data related to the transaction automatically gets transmitted to the concierge service. This may come from a broker’s transaction management platform, back-office system, or CRM.
- **The concierge service is triggered** – If a brokerage’s concierge service links with its transaction management or back-office system, the concierge service will receive a signal to engage with the consumer when the transaction reaches a predetermined point; the concierge service will then engage with the consumer. If the concierge service interacts more directly with consumers, consumers will kick off the workflow when they enter their information into the system directly.
- **Consumers engage with the service** – Consumers use the tool to order services. They may be guided through a checklist or workflow to request services at the appropriate time. They could engage with the concierge service with the mobile app, website, through voice application (ala Alexa, Google Assistant) or with a live concierge.
- **Concierge service takes action** – The concierge service orders, manages, or schedules services based on the consumer’s selection of services. Some services, like moving services, junk pickup, and quote-based services will contact the consumer for more details to product quotes, either through

the concierge service app or directly. There may be multiple steps in some cases, where a consumer will be contacted by the end-service provider (like the cable company or utility) to confirm their order. Depending on the concierge service, some of the confirmation steps may be managed within the service.

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How to Evaluate Concierge Service Providers

As with any emerging product category, brokers must understand the parameters and questions to ask to pick providers that work best for their business model, agents, and consumer needs. These are several areas that T3 Sixty recommends considering in evaluating concierge services.

Quality of the Consumer Experience

These services do not amount to much if consumers do not use them. Some of these services take a proactive consumer outreach approach with a live, human concierge, while others rely on a more digital, app- or email-based approach. Ultimately, the proof of value comes when consumers adopt and use these platforms. Ask the concierge company what their typical adoption rates are and what to expect; talk to other brokers who use the platform to get a sense of the legitimacy of concierge vendor claims.

Service Offerings

The services the concierge platform provides, along with whether brokers' preferred vendors can be included, is an important consideration when picking a partner. Some of these concierge services focus more on moving and home setup, while others extend further into the lifecycle of consumers' needs during homeownership. Brokers should evaluate how the value fits their brokerage value proposition and what their agents and consumers would most value.

Service Provider Customization

If brokers have, or have contemplated, offerings or marketing partnerships related to insurance, home warranty, and other local service providers, they will want to understand what can be modified in the concierge service menu. Of course, by including their preferred vendors in a concierge system, brokers bring more value to the relationship and should consider how this influences the terms of any co-marketing relationships they have.

Brokerages should pay attention to the downstream services their preferred vendors provide; for example, if a home warranty provider also offers home maintenance plans, brokers may want to make sure that the concierge service takes this into account. The point of the concierge service is to direct people to the right services to use, so if a broker's preferred vendors market additional services, brokers will need to factor that into how they organize their concierge service menu.

Brand-ability and Control

The degree to which brokerages can co-brand, white-label or sponsor these services is an important consideration for creating marketing value for this effort. Additionally, agent-level branding will help encourage agent adoption of these solutions and reduce the inevitable friction brokers get from agents when they send out marketing materials on behalf of their agent corps. If agents see a marketing benefit, they will likely view the effort as a significant value-add to their stay-in-touch campaigns or post-transaction services, and, therefore, are more likely to encourage their customers to engage with the service.

Depending on the brokerages' specific business models and relationship with their agents, brokers may want a concierge service that allows agents to opt-in or opt-out of concierge followup for their customers.

Long-term CRM Value

One of the potential benefits of a branded concierge service to brokers is the ability to keep the brokerage and agent brand in front of consumers during the long period between transactions, which encourages repeat-and-referral behavior. Some providers have concepts for ongoing advertising and marketing to the consumer, or for subscriptions to services such as home maintenance plans, warranties and branded services. The customer-for-life mentality in real estate can become significantly more credible if a program that consistently assists clients, aside from the transaction, is in place.

Brokers should also investigate how customers in a long-term concierge program could receive offers from their firm, and how agents or the brokerage will be notified if a customer engages with these offers.

Not just for Past Clients

Some services may allow brokerages to market or utilize the concierge services with an agent's network or sphere as part of a total client-engagement program.

This extends the brand benefit as a useful tool for marketing to potential customers, giving even new agents a reason to contact their sphere with a valuable offering.

Revenue Opportunities

Brokerages may have opportunities to generate revenue through concierge services, either through referral fees paid for services, affiliated businesses or through marketing partnerships with preferred providers. As with all things related to affiliated business arrangements or referral fees on services, brokerages should consult with a RESPA attorney and qualified local counsel on any restrictions in their state for these offerings and in how to set them up so they are on the right side of the law.

Technical Integrations

Concierge service providers are quickly integrating with many of the industry's most popular real estate transaction management, back-office, and CRM systems. Brokerages should make sure that their systems sync with the concierge process, to make the program as automated as possible. If brokers do not have systems like this in place, they should ask the concierge service provider about how to build in as much automation as possible. Many of these tools offer bulk-upload options if direct integrations are not possible.

Reporting

The ability for brokerages and agents to monitor engagement with services will vary depending on the home concierge service. Depending on a broker's customer service model, agents may want more or less visibility into how their customers use the services. Brokers will likely want to know about the adoption and use of the concierge service, as well as the use of service providers they customized in the tool's menu of services, particularly if they have marketing agreements or affiliated business arrangements. This reporting allows brokers to gauge the effectiveness of the concierge program at driving revenue or value to marketing partners.

Takeaway

“The ambition of the real estate industry to provide value beyond the transaction has long been a challenge.”

The ambition of the real estate industry to provide value beyond the transaction has long been a challenge due to their agents’ independent contractor status and the disparate systems, processes, and vendors needed to coordinate home- and moving-related services to consumers. But the continued innovation and development of technology, platforms, networks, and apps will most likely make that dream a reality.

As the industries around real estate modernize, and more and more concierge-related services emerge, the residential real estate brokerage industry is entering a period when brokerages can redefine and launch their post-transactional services as a significant competitive advantage and potentially add a revenue stream.

With continued pressure on real estate commissions, having a stronger value proposition assisting with moving and home services provides brokers and agents a valuable additional potential way to prevent the erosion of the perceived value of real estate professionals. When these services are delivered via a broker or franchise relationship, the value proposition of the brokerage industry at large also increases.

