

# RICH REAL ESTATE AGENT, POOR REAL ESTATE AGENT

**active rain**

## RICH REAL ESTATE AGENT, POOR REAL ESTATE AGENT

ActiveRain conducted a survey of 1,758 real estate professionals to find out what separates the top professionals (those earning over \$100,000 a year, the 'Rich Real Estate Agents') from the struggling professionals (those earning under \$35,000 a year, the 'Poor Real Estate Agents').

**RICH AGENTS ARE:**

- Technology**
  - 54% more likely to use an **email newsletter**
  - 87% more likely to use **CRM**
  - 54% more likely to use an **IDX** website with listings
- Social Media**
  - 35% more likely to **blog**
  - RICH AGENTS:**
    - Spend **10X** more on **MARKETING**
    - Spend **6X** more on **TECHNOLOGY**
    - BROADCAST** social media
- Internet Advertising**
  - 153% more likely to use an **assistant** to help with advertising
  - 78% more likely to use **online video**
  - 175% more likely to use **Internet Advertising**

**RICH VS. POOR REAL ESTATE AGENTS**

58% male	60% female
11-20 years experience	4-5 years experience

**What Doesn't Matter**  
Rich & poor real estate agents use the following equally:

- facebook (90% use Facebook)
- UNITED STATES POSTAL SERVICE (61% use Direct Mail)
- Zillow.com
- trulia
- craigslist
- move
- realtor.com

60%+ advertise on Real Estate Web Sites

Source: ActiveRain.com 2011  
Find full survey results and methodology at [www.activerain.com/rich-real-estate-agent](http://www.activerain.com/rich-real-estate-agent)

## What separates Rich Real Estate Agents from Poor Real Estate Agents?

- » Are men better real estate agents than women?
- » Does age or experience matter?
- » Do top real estate agents use Trulia or Zillow? Or Realtor.com? Or Homes.com?
- » Does FaceBook sell houses?

In real estate there is no "right answer" on how to be successful. BUT, we have found that some agents are "more right" than others.

ActiveRain conducted a survey of 1,758 real estate professionals to find out what separates the top real estate professionals (those earning over \$100,000 a year, we'll call them 'Rich Real Estate Agents') from the struggling real estate professionals (those earning under \$35,000 a year, we'll call them 'Poor Real Estate Agents'). 379, or 22% of respondents were Rich Real Estate Agents, while 363 or 21% of respondents were Poor Real Estate Agents.

## Here's what we learned:

### Demographics:

- Rich real estate agents tend to be MEN (58% male). Poor real estate agents tended to be WOMEN (60% female). 47% of the survey was male.
- Rich real estate agents have 11-20 years of real estate experience. Poor real estate agents had 4-5 five years of experience. The average was 6-10 years of experience.
- The average age of the respondent was 51-60 years old. S/he is a college grad with moderate technology experience. Age did not matter between rich and poor real estate agents.

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## What Seems to Matter:

- Rich Real Estate Agents invest 6x more in technology
- Rich Real Estate Agents BROADCAST via social media
- Rich Real Estate Agents spend 10x more on marketing

## What Doesn't Seem to Matter (either it doesn't matter or everyone is using it poorly):

- FaceBook
- Real Estate Listing Web Sites - (Zillow, Trulia, and Realtor.com all enjoy 60%+ penetration)
- Direct Mail

## TECHNOLOGY

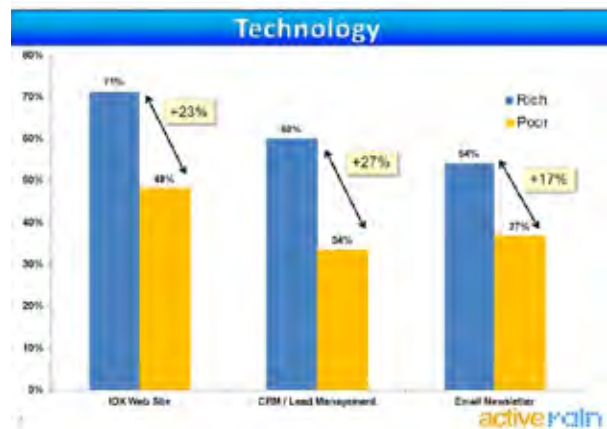
Rich real estate agents invest 6 times as much in technology as poor real estate agents. Every year the average rich real estate agent spends \$3,000-5,000 per year on technology, while the poor real estate agent only spends \$500-1,000 per year. So, for every one dollar that the poor agent spends on technology, rich agent spends six dollars. Think about this: the average rich real estate spends more money in a month, than some poor real estate agents spend on technology all year.

## Where does this spending go?

1. A top notch IDX site: Why? Because a good web site with home listings and lead capture is the backbone of any successful online marketing campaign.
2. CRM or Lead management systems: CRM's (customer relationship management systems or a database) are an integral part of their success. This is the most dramatic difference in the survey. Almost twice as many rich real

estate agents use a CRM or lead management system than poor real estate agents. It's this systematic management of their database that allows rich real estate agents to build a high volume business. This is the most dramatic and visible difference in the entire survey.

3. Email Marketing: Rich real estate agents aggressively use email marketing. In fact, they touch their clients more frequently through email marketing than their less successful brethren. Many of them send automated listings via their IDX sites, and they are 54% more likely to use email newsletter and drip marketing campaigns.



## BROADCAST SOCIAL MEDIA MARKETING

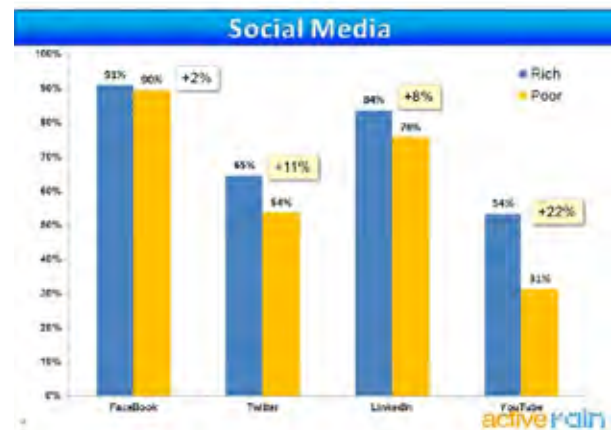
Rich real estate agents are aggressive in using BROADCAST forms of social media to attract clients. What is broadcast social media? Any form of social media which allows a real estate agent or real estate professional to communicate in a broadcast format which is open on the Internet (unlike FaceBook which is only visible to your friends.)

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## What forms of social media are Rich Real Estate Agents using?

1. **YouTube and Online Video:** We were surprised by this one, as online video has always seemed challenging and time consuming (from a production and editing standpoint). BUT, rich real estate agents are actively posting videos on YouTube, 78% more than poor real estate agents.

2. **Blogging:** Rich real estate agents are actively blogging for search engine optimization and building a content library as a “net” for prospective buyers and sellers. Rich real estate agents are using ActiveRain (62%), WordPress (52%), and Blogger (26%) as the most popular blogging sites. Rich real estate agents seem to have a presence on multiple blogging platforms if not all three. (Full disclosure: this survey was conducted by ActiveRain which is the largest blogging platform and social network specifically built for real estate so we would expect the ActiveRain share to be high.)
3. **Twitter & LinkedIn:** Rich real estate agents tend to use the micro-blogging platform, Twitter and the business-networking site, LinkedIn more actively than poor real estate agents to broadcast their message and generate business referrals.



# RICH REAL ESTATE AGENT, POOR REAL ESTATE AGENT

## MARKETING, MARKETING, MARKETING

The rich real estate agent spends 10 times more on marketing and advertising for their business. That may be the most shocking number of all. The rich real estate agent spends \$5,000-\$10,000 per year on marketing, while the poor real estate agent spends only \$500-\$1,000 per year. Again, a rich real estate agent is spending more in 2 weeks than some poor real estate agents spend on marketing ALL YEAR!

How are rich real estate agents spending their marketing dollars?

- Hire an Assistant:** Top performers leverage their time. 26% of rich real estate agents use an assistant or an agency to help with their marketing, search engine optimization and their lead generation strategies, while only 11% of poor real estate agents use an assistant. Some of these top performers don't know SEO from NBC but they realize the value of their time and the importance of hiring experts.
- Internet Marketing:** Rich real estate agents prioritize Internet marketing and lead generation in general. 2.75 times more rich real estate agents buy Internet marketing services or 'clicks' to their website than poor agents. 2.3 times as many rich real estate agents buy Internet leads. Rich real estate agents realize that this investment in their business is likely to pay off because they have the system (IDX web site and CRM/lead management system) in place to convert their investment into business.

- The Local Newspaper:** Guess what...rich real estate agents still advertise in local newspapers. Hard to believe, given all the bad news in the newspaper business. But, if a homebuyer or seller is looking for information in the local newspaper, the rich real estate agent is going to be advertising there.
- No More Door Knocking or Cold Calling:** Rich real estate agents DON'T have time for cold calling and door knocking. They leave that to poor real estate agents who are more likely to hit the streets or the office phone and open up the phone book (shudder, shudder). Rich real estate agents may not consider calling expired listings as cold calling, which may have skewed the numbers a bit.

When asked, "What is the most effective marketing or advertising that you do?" rich real estate agents answered: 1) Personal referrals and word of mouth, 2) blogging, and 3) professional referrals and business networking.





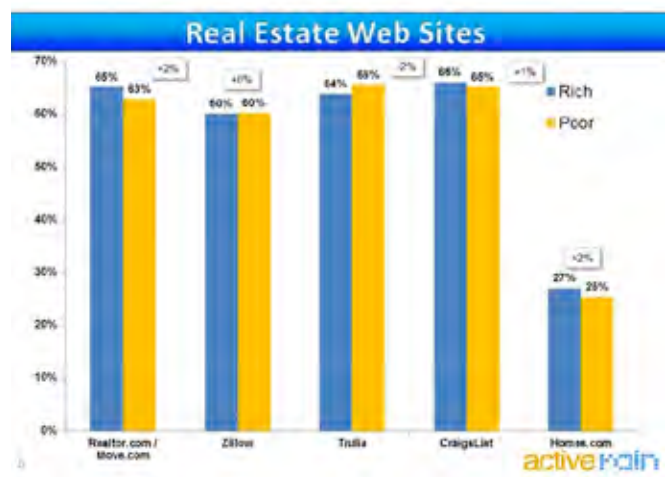
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**So what does NOT matter?** When we looked at the data of what separates the rich real estate agents from the poor real estate agents, technology, broadcast social media, and marketing stuck out. In contrast, the following services were surprising in that they did NOT stick out. This could be that every agent is using them; some could be using them well while the rest are using them poorly. The survey could not tell the difference .

1. **Facebook:** 90% of real estate agents are using FaceBook. Period. Pause. There could be a whole survey on the best ways to use FaceBook which may say Fan Pages are better than Business Pages or Places. But on its face (ha ha), FaceBook does not sell more houses for the rich real estate agent versus the poor real estate agent.
2. **Home Listing Aggregation Sites:** When asked, "Do you advertise or use the following real estate web sites to market your business?" we saw surprisingly high penetration for the following web sites on average:
  - Craigslist 68%
  - Trulia 64%
  - Realtor.com / Move.com 61%
  - Zillow 60%
  - Homes.com 25%

There was no discernible difference between rich real estate agents and poor real estate agents in their usage of these sites, with one exception: Trulia had a very slight skew towards greater usage among poor real estate agents. In fact, Trulia and FrontDoor Real Estate from HGTV (only 14% usage on average) were the only two real estate web

sites with a slightly higher usage among poor real estate agents, perhaps due to the free marketing tools and profiles offered by both web sites. When you look at overall site usage, some interesting observations come to light. It's not surprising that Craigslist is the most used site, considering it is free. However, we were surprised to see Trulia with a slight edge over Realtor.com and Zillow. Realtor.com should have a higher penetration given that it is the NAR-sponsored web site. We would have expected Zillow to have higher usage than Trulia, given the amount of publicity that Zillow has attracted from its successful IPO. (Rumor has it that Trulia is preparing to go public in the near future, so it will be fascinating to see their results.) Trulia had a very slight skew towards greater usage among poor real estate agents versus rich real estate agents.



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3. **Direct Mail:** Over 60% of respondents use direct mail to market their business. Pause. That's the same percentage of respondents using Zillow, Realtor.com and Trulia. Perhaps people still open the mail and hire their real estate agent based on the refrigerator magnet. More poor real estate agents report using direct mail than have an IDX site. In 2011 how is this possible? Either direct mail continues to be HIGHLY effective or we, as the real estate industry have been slow to change behavior. Hard to tell from the survey, but we at ActiveRain have our suspicions.

By the way, some things are unexplainable but if you are reading this and you use direct mail and you do not have an IDX site do yourself a huge favor and invest in a good one. It could be the reason you make a huge jump in 2012.

Other things which are hard to explain:

- We are 16 years into the Internet Revolution and three years into the Do Not Call Registry, YET more real estate agents knock on doors and cold call than advertise on the Internet.
- Realtor.com is the official site of the National Association Realtors (NAR) and has been around for 15 years (or so), but is falling behind Trulia in real estate agent usage, and only slightly ahead of Zillow, both of which have existed for 5-6 years now.
- Direct mail is the most popular form of real estate advertising. The US Government and Postal Workers Union thank you.

- Only 15-16% of real estate agents use an assistant to help with marketing. How valuable is your time? If you use this as a metric, most real estate professionals don't think their time is that valuable.

Not every rich agent is going to follow the exact same road map. I'm sure everyone knows a real estate agent out there with no website who rarely uses email that would land in the 'rich agent' category. Of course these types are becoming more and more rare as the years go by and consumer behavior changes.

We hope that you ask yourself "What kind of things will I be investing in for 2012?" and will those investments pay off like they have for the rich real estate agent.

**What do you want to be in 2012?  
A rich agent or a poor agent?**