



## Listing Distribution Case Study: NNRMLS

*An up-close review of Northern Nevada Regional MLS's listing distribution strategy using Threewide's ListHub™*

Case Study Conducted By:

The WAV Group

[www.wavgroup.com](http://www.wavgroup.com)



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Threewide Corporation, providers of ListHub™, selected the WAV Group to review the effectiveness of the ListHub listing asset management network in the Northern Nevada Regional MLS (NNRMLS). The study evaluated the program through analyzing ListHub reports, interviewing MLS staff and brokers, and reviewing broker web traffic data. The goal of the study is to help MLSs and their boards of directors understand what ListHub offers and what results it can create as they consider listing syndication as a member service.

### **Program Description**

NNRMLS has 3,100 subscribers and offers a service option for brokers to feed their listings to 21 leading Internet property search portals. The provider to NNRMLS for this service is Threewide, and the product is called ListHub. This practice is generally referred to as “listing syndication.” Listing syndication is a new business term for real estate and was defined differently by those interviewed as part of the case study. To be clear, this case study is to review the effectiveness of brokers sharing listings with *non-broker* and *non-agent* (third party) consumer facing property search Web sites. Agents and brokers are committed to marketing listings online and ListHub provides the infrastructure to manage this effort.

Real estate agents and brokers have implemented various forms of listing syndication since the Internet’s inception. Generally the practice of publishing listings to a variety of Web sites has long been part of the online advertising strategy of Realtors®.

The MLS entry into listing syndication began around 10 years ago with the birth of Realtor.com – the first national property search portal on the Internet with data feeds from nearly every MLS in America. MLSs maintained a philosophy that beyond REALTOR.com, listing syndication was a form of advertising and that brokers should manage syndication on their own. However, in 2007 MLSs began to consider ListHub as a service to broker customers due to the increased demand for data feeds.

Today, nearly every listing broker in America has had a listing appear in some form on a third party Web site. Initially listings were published on these Web sites as a result of print advertising. An agent or broker would purchase ad space in a local newspaper or magazine and the publisher would also post the ad on their public facing Web site to extend reach. As consumers flee away from print toward online search for properties, web only advertising opportunities began to emerge along with a slew of new consumer property search Web sites.

The process of entering and maintaining listings across multiple Web sites can be onerous without the support of an automated data feed provided by the MLS. Recognizing the need for data distribution by member brokers, MLSs reached out to Threewide to craft a solution. As a result, ListHub was the first product launched into the MLS community that automates the syndication process. The first ListHub installation was for Consolidated MLS in Columbia, SC in December 2006. ListHub now distributes listings for brokers in 110 markets representing more than 65% of all MLS listings nationally.

## **Large Independent Brokers Support ListHub**

Somewhat surprising, large brokers from the NNRMLS region supported the MLS's launch of ListHub. WAV Group supposed that brokers who invested in equipment and staff to manage their listing syndication efforts may be opposed to an MLS-sponsored listing syndication service. They thought those brokers may see listing syndication as a key competitive advantage to differentiate them from their competition and would be opposed to the MLS "leveling the playing field."

On the contrary, interviews with all leading brokers in the NNRMLS area revealed that the early listing syndication pioneers are the strongest supporters of ListHub as a NNRMLS broker benefit. The largest broker member in NNRMLS, Dickson Realty, actually led the board in the adoption of ListHub.

Kelli Charbonneau, Vice President of Operations, Dickson Realty said:

*"A primary role of the MLS is to provide data services to brokers and agents. We support and applaud NNRMLS for their leadership in taking this burden off of our shoulders, and embracing all brokers in their listing syndication strategy. It would be great if all boards supported us in the same way."*

## **Franchise Companies Support ListHub**

WAV Group also interviewed brokers representing national real estate franchise brands. Like Dickson, large franchises were early adopters and pioneers of listing syndication to multiple sites. Keller Williams franchise broker Dave Hilbig and Prudential franchise broker Dave Hansen joined in supporting the listing syndication benefit despite the independent efforts of their franchisors to syndicate listings as a franchise benefit.

Interviews in NNRMLS revealed that the process each broker followed before ListHub involved "heavy lifting" and required the same effort to send 10 listings as it does to send the entire MLS database. Practically speaking, ListHub syndication is the best possible solution to this challenge and it is free to brokers and free to the MLS.

## **NNRMLS ListHub Perspective**

Merri Jo Cowen is CEO of NNRMLS. Cowan noted in discussions with her brokers that listing syndication was a time-consuming and sometimes frustrating process. She proposed ListHub because she believed it would help solve a key data distribution problem for her subscribers. She said:

*"Anytime the MLS can provide a free service that solves problems for subscribers, they should do it. I cannot imagine the thousands of hours that REALTORS® and brokers have spent entering and maintaining listings on 21 Web sites."*

The program has been received well by her membership. It is unusual to achieve mass adoption by any service that is not core to the MLS system itself. ListHub has realized staggering rates of adoption at exceptional speed.

“Since partnering with Threewise in September of 2007, brokers representing more than 80% of our listings have taken the initiative to register and opt into the program.”

An additional benefit to the MLS was that NNRMLS receives monthly reports to monitor broker usage and traffic trends across the 21 marketing sites, allowing the MLS leadership to be one of the most knowledgeable sources concerning online syndication results.

### **How does ListHub Work?**

NNRMLS uses the ListHub service to allow each participating broker to send all of their listings to third party listing syndication sites chosen by the broker.

Currently ListHub offers the following 21 third party Web sites, also called “channels:”

- |                      |                        |
|----------------------|------------------------|
| ◇ Google Base        | ◇ FrontDoor.com        |
| ◇ Yahoo! Real Estate | ◇ Local.com            |
| ◇ Trulia             | ◇ Homes&Land.com       |
| ◇ Zillow             | (customers only)       |
| ◇ AOL Real Estate    | ◇ ReloHomeSearch.com   |
| ◇ Homescape          | (Members of Leading RE |
| ◇ MyREALTY.com       | only)                  |
| ◇ Hotpads.com        | ◇ Cyberhomes.com       |
| ◇ Vast               | ◇ Oodle                |
| ◇ CLRsearch.com      | ◇ Propbot              |
| ◇ Military.com       | ◇ Lycos Classifieds    |
| ◇ Backpage.com       | ◇ LakehomesUSA.com     |

Broker participation in ListHub syndication is offered on an opt-in basis for all channels with the exception of Cyberhomes and AOL. The MLS leadership chose to send all listings to those two channels. Unlike some other MLS markets, the bulk feed to Cyberhomes and AOL are being fed through ListHub as opposed to a separate data feed from the MLS. This is done to ensure that brokers can get a consolidated report of all consumer traffic activity to their listings. Brokers echoed the support of this strategy by NNRMLS adding to it that Realtor.com should also be included.

Brokers want a single place to manage all online advertising activity and the associated reporting. ListHub does the best possible job at providing that. In consolidating the distribution of listings and the reporting on distribution across all channels, brokers are servicing their agents and sellers in the most organized and deliberate process available. Just as brokers do not want to manage the process of pushing their listings to multiple sites, they also do not want to manually combine the reporting from each site. ListHub pulls the whole program together in one place with one clear tool for managing the program, and one point of contact for guidance and service for their online strategy.

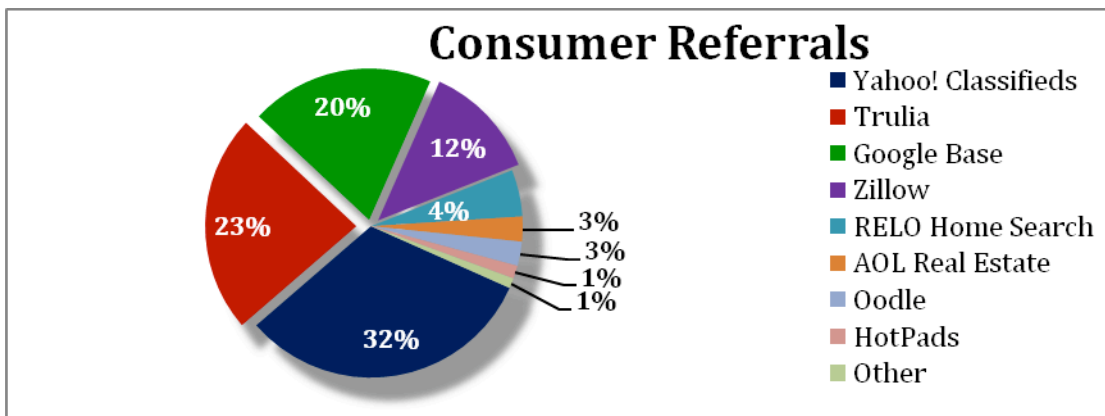
ListHub provides syndication services to the MLS and broker at no cost. The ListHub business model is to sell reporting packages directly to brokers as optional add-on functionality.

### ListHub Monitors Consumer Referrals

Using the reports generated by ListHub, brokers and MLS leadership can easily monitor the effectiveness of each syndication source. Today, online advertising is still young. Consumer traffic is flowing to brokers, but the numbers are not yet staggering. One of the reasons for this is the duplication of listing syndication by parties other than the broker. Because there are multiple copies of many listings on various sites, a portion of the consumer traffic is being redirected to a site that a broker cannot control or track. ListHub advocates turning off other syndication services by print publishers, website providers, etc. once a broker begins using ListHub.

The following numbers revealed by NNRMLS are fairly typical next to national averages, but the figures vary widely between MLSs and between brokers:

For the total NNRMLS market distribution of roughly 8,700 listings, Yahoo! Real Estate is the best source of consumer listing visits. Yahoo! is followed closely by Trulia and Google for the volume of click-throughs generated to broker Web sites or ListHub-provided landing pages.

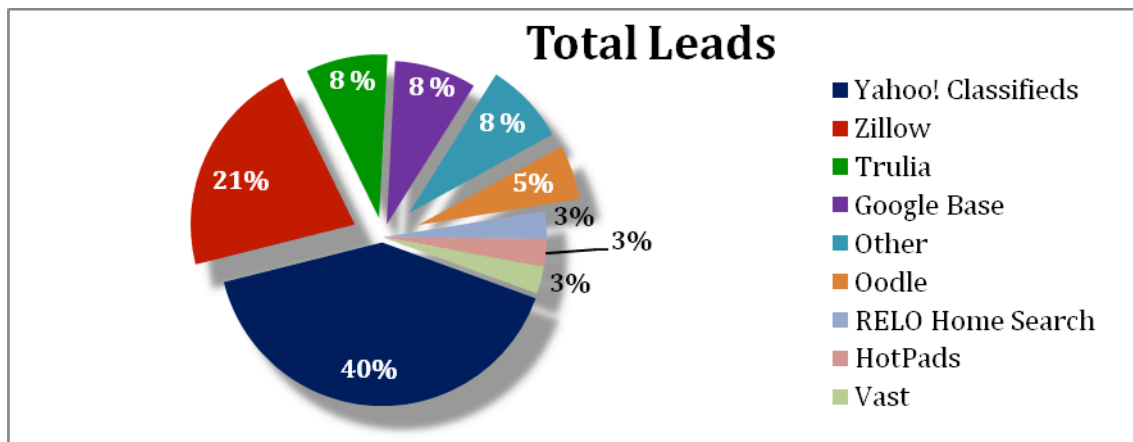


### ListHub Measures Leads by Syndication Source

ListHub helps brokers understand which of the data syndication sites are working hardest for them. It is not a perfect science because sites like Homescape and Homes and Land do not provide consumers with links to broker-controlled landing pages as part of their basic free offering to real estate brokers. Nevertheless, brokers are using traffic information provided by ListHub pertaining to their own company's listings to manage their media buys and listing enhancements on each of these sites.

At the MLS level there are a couple more factors that can impact their results. Some listings may potentially be featured or enhanced by the broker or agent, which is not reflected in the reported numbers and which might explain variations in the results. Finally, brokers opt-in to each site individually, so some sites receive fewer listings, resulting in fewer consumer visits.

For brokers today, online listing presence is very similar to yard signs, and newspaper advertising. Much in the way that brokers are driving sign calls, open house calls, and ad calls – ListHub generates web calls. Bear in mind that web calls are being generated by listing syndication and offline results cannot be tracked. Consumers have changed the way they shop. They do their research online before contacting an agent. Even though sending an e-mail to an agent about a listing is available on all or most of these sites, often consumers will pick up the phone and call on a listing to get immediate information.



Yahoo represented the largest portion of lead volume in NNRMLS at 40%. It was interesting to note that Zillow's lead conversion numbers are proportionally higher relative to their referring traffic volume. Not all traffic is the same; some sites attract consumers who are closer to making an actual purchase. This type of information is key to the decision making process by brokers, and with ListHub reports, they can focus their online advertising dollars to produce the highest rate of return on their online advertising.

In May 2008, ListHub syndication resulted in 8,782 listings being distributed for marketing. While all 8782 listings were distributed to at least one site, not all listings were distributed to all sites by all participating brokers. In total, the listings were clicked on 42,264 times during the month. A click means that the listing came up in search results and was clicked so the consumer viewed the complete property details page for that listing (either on the brokerage Web site or as provided and hosted by ListHub). The average listing received 4.81 total consumer views per month.

Among NNRMLS brokers, 250 out of 256 brokers selected for clicks to direct the consumer to the ListHub-hosted property pages rather than the brokerage Web site

(in order to receive provide better traffic reporting). ListHub advocates using the ListHub-hosted property landing pages if brokers do not have the metrics on their website to track lead generation. These pages received 40,264 visits in total. Those visits resulted in 141 email leads from Internet consumers. It is likely that there were also Internet calls (phone inquiries) but these are not currently measurable by ListHub.

Overall, Realtors® still have catching up to do in transitioning their ad dollars to the Internet. Based on a study released by Yahoo, Inc., more than double the number of consumers uses the Internet for real estate information as compared to print media. Meanwhile, even though online media spend doubled between 2005 and 2007, the Internet is still only getting 32% of the expenditures as compared to the newspapers which get 40 percent.

### **ListHub as a Listing Tool**

The greatest benefit of listing syndication reported is in securing new listings. Home sellers are looking for tech savvy REALTORS® who will promote their home everywhere. ListHub ensures that the value of the brokerage firm's online strategy is communicated to the home owner both before and during the listing process. By communicating the broad online exposure opportunity to sellers during listing presentations, and by reporting the online results from ListHub, agents can get more listings and better serve their sellers.

### **ListHub Set-up, Installation and Support**

According to Merri Jo Cowan, CEO of NNRMLS, set-up and installation of ListHub was not very intensive and deployed smoothly without any technical issues.

*"Implementation only took a couple of weeks and members were instantly satisfied the moment listings appeared on the third party Web sites and traffic started flowing to broker sites."*

One fear that NNRMLS had before installing ListHub was the potential impact of customer service calls. Cowan reports that although they do get a few calls, Threewise takes care of the bulk of the issues. NNRMLS did not notice any additional support overhead as a result of implementing this service.

### **Suggestions for Listing Syndication Improvement**

Interviews with brokers revealed several opportunities for listing data syndication improvements:

#### **Extending RETS to Listing Syndicators**

Integrating daily data feeds of huge data sets to multiple Web sites is no easy task. The National Association of REALTORS® has done an admirable job of getting third party Web site operators to talk to each other through the Real Estate Transaction

Standards Committee (RETS). In the first quarter of 2008 the RETS standards for listing transmissions were expanded to include data feeds to third party Web sites. This normalization process and procedure should be a major contributing factor at cleaning up the mess of formatting data differently for each advertising Web site.

Threewide leadership and technical staff are on the RETS committee, and will continue to be part of these improvements.

### Prevention of Listing Re-Syndication

Brokers do not expect their listings are going to be re-syndicated. For example, they reported that re-syndication policies recently announced by VAST came to them as unwelcome news. In the case of VAST, brokers stated that the re-syndication of listings to Overstock.com was not the intent of sending listings to VAST. ListHub was able to work with VAST on a resolution overnight. VAST responded immediately in correcting the situation so that listings received from ListHub now display on VAST, but are not re-distributed to Overstock.com until opt-in functionality for Overstock.com can be incorporated. Without ListHub, response time to these types of issues may have been longer.

Craig King, Chief Operating Officer of Chase International said:

*“When brokers are sending their listings through ListHub from the MLS, they do not expect their data to be overwritten by some other source. This is an ongoing problem that we would like Threewide and the MLS to help us with.”*

When questioned deeply about listing accuracy, we learned that the broker is legally responsible for the listing wherever it appears – online and offline. However, the agent is responsible for keeping their listings updated in the MLS and every other place the listing appears. King reported:

*“It would be an impossible effort to monitor our 600 listings on 21 Web sites every day.”*

### Agent Listing Management Console

King was joined by Amy Lessinger of RE/MAX and Dave Hansen of Prudential with some suggestions for ways that syndication can be improved. They included an agent console where each individual agent can manage their branding on their listings, view URLs of all of the sites where their listings appear, and purchase enhanced listing options. This functionality is currently in the Threewide development queue.

### **Summary**

According to Borrell Associates, real estate advertising is a \$12 billion industry. As evidenced in the NAR 2007 Profile of Home Buyers and Sellers, real estate consumers are swiftly transitioning their research behavior from reading newspapers, magazines, and other print advertisement to surfing the Internet as



their primary source of real estate information. The entire real estate industry is feeling the impact of this shift, including brokerage firms, agents, MLSs, franchisors, and suppliers.

ListHub is emerging as the leading platform for managing these online opportunities. While ListHub brings value to all of these sides of the industry, it is a broker controlled system, and is delivered to the brokerage firms by their MLS organizations.

In summary, this case study supports that MLSs should consider offering listing syndication as a service to brokers. The solution is free of charge, free of risk, and has immediate and relevant value to both MLS organization and membership.