

Seminar Series

Changes in Buyer Behavior

<http://riog.biz/fbsbuyerbehavior>



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Changes in Buyer Behavior

Buyer behavior has changed drastically in the last few years.

- ~ Agents who understand the new behaviors of buyers and the new dynamics of selling real estate will prosper!
- ~ Agents who refuse to accept these changes and continue to function the same way they always have will no longer be of any importance.



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Changes in Buyer Behavior: The Great Illusions.

Why do less than 15 % of folks relist with whomever sold them the house?

- ~ They didn't like them
- ~ Why did they buy from them, then?
- ~ Because that agent "found" them the house.
- ~ No longer the case – buyer now finds their own house.
- ~ Buyer chooses who will "help them get it"



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Changes in Buyer Behavior:

Changes in Marketing

- ~ Print Advertising
- ~ Homes Magazine
- ~ Classifieds
- ~ “Ad House”
- ~ Bait & Switch
- ~ Purpose was to make “the phone ring”



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Changes in Buyer Behavior:

Control of the Information.

- ~ Odds of a buyer actually buying the house they called in were 1 in 24, which is about 4%.
- ~ We then used off-shows and “found the buyer a house”.
- ~ We controlled the information – only we knew which houses were for sale.
- ~ That is no longer the case.



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Changes in Buyer Behavior:

Buyers now have direct access.

- ~ There are over 900 websites with listing information and all are easily searchable.
- ~ All with additional neighborhood and school information, etc.
- ~ 44% of all buyers found their own home online.
- ~ These numbers are about 6 months old and still rising. It's closer to 50-55% and **still rising!**



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Changes in Buyer Behavior:

Recap of the changes to buyer behavior:

- ~ No longer depend on you to “find” them a home.
- ~ No longer depend on you for school and neighborhood information.
- ~ They depend on you to help them “get” the home that they have already decided to buy!
- ~ The buyer now has their own “Screening” process. This has created another major change!



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Changes in Buyer Behavior:

Opportunity for Greater Efficiency.

- ~ Previously, the average buyer looked at 30-40 homes before making a purchase decision.
- ~ Now the average buyer actually visits and looks at less than 10 homes!
- ~ “Showing time” is now cut down dramatically!
- ~ An Agent can sell 4 times as many homes as before in the same amount of time.



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Changes in Buyer Behavior:

Opportunity for Greater Efficiency *(cont.)*

- ~ Buyer has done most of their “looking” online.
- ~ They have a better, and more realistic sense of the market.
- ~ They have more realistic expectations.
- ~ They have already narrowed down their search.
- ~ Many have already been pre-approved (qualified) for a loan.
- ~ End result is that buyer is better prepared & better educated!



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Changes in Buyer Behavior:

Shorter “direct” contact cycle with agent.

- ~ Actual “house hunting” period is now under 30 days and as little as two weeks.
- ~ Previously you would spend several months showing a buyer homes (30-40).
- ~ Agents must be more reactive to this!
- ~ Greater sense of urgency at this point!



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Changes in Buyer Behavior:

Longer “indirect” contact cycle period.

- ✓ Over 90% of all buyers search for homes online.
- ✓ Average buyer begins looking at homes 8.5 months before their actual purchase.
- ✓ During this time they will contact (or attempt to contact) 16-18 real estate agents for additional information.
- ✓ Most agents will not respond, and the ones that do will usually just blow them off. It's not their fault. **It is the way they were trained and it is the mindset they have!**



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Changes in Buyer Behavior:

Incubation

- ~ Buyer must feel that you (or your agent) is in position to help them “get” their house - not “find” their house.
- ~ Contact from buyer will occur at some point during the 8.5 month cycle.
- ~ Contact must be maintained until purchase point.
- ~ Buyer must be kept engaged.
- ~ Information that buyer wants must be delivered.
- ~ We used to call this “following-up.” **90% of all real estate agents fail at this point!**



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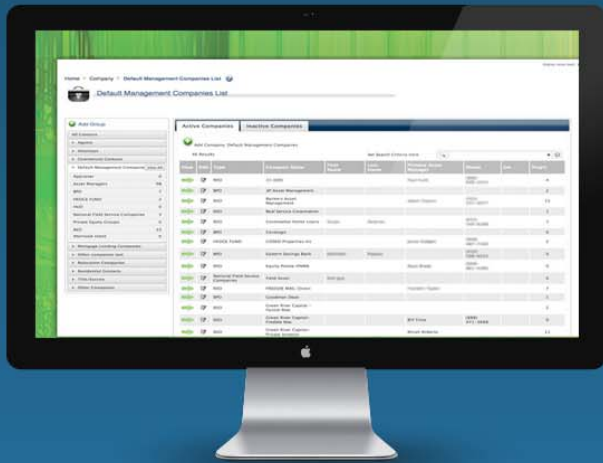


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