Features

RX: CX

Marketing alone can't fix a broken real estate business—but a stellar customer experience might

BY MATT ALDERTON

If businesses had heartbeats, you'd take their pulse by calculating their Net Promoter Score® (NPS), a number between 0 and 100 that represents how likely consumers are to recommend a brand to others. Top-scoring brands include Amazon, Apple, Southwest Airlines, Costco, Ritz-Carlton, Trader Joe's and Zappos. What separates these beloved brands from their competitors isn't superior products or low prices—it's an exceptional customer experience.

"It's critical that consumers have an experience that will keep them coming back and prompt them to share positive stories," NPS co-creator Satmetrix explains in its e-book, How to Use Net Promoter to Drive Business Growth.

The benefits of a positive customer experience are real and significant, according to management consultancy PwC. In 2018, it surveyed 15,000 people from 12 countries and found that customer experience is an important factor in purchasing decisions for nearly three-quarters (73%) of consumers, that 4 in 10 (42%) consumers would pay more for a friendly and welcoming experience, and that customer experience is more influential than advertising for two-thirds (65%) of U.S. consumers.

It makes sense: People prefer to do business with people and brands that give them positive feelings. That's as true of real estate as it is of anything else. "The average person knows six REALTORS®, so why pick me?" asks Thomas J. Nelson, CRS, a REALTOR® at Big Block Realty in San Diego. "The only way to stand out is with how you care for your client."

Experience vs. service

Customer experience (CX) can be a powerful differentiator for your business. But to create a good one, you must understand what it is—and what it isn't.

"People throw around the term 'customer experience' as if it's synonymous with 'customer service.' Nothing could be further from the truth," explains Jon Picoult, who is a customer experience speaker and founder and principal of Watermark Consulting, a CX advisory firm based in Hartford, Connecticut. "The definition I like is: Customer experience is how customers feel about interactions with your company."

Whereas customer service typically is about a single touch point—for example, when your business responds to a customer's question or concern—CX encompasses every live, digital and print interaction a customer has with your business. The former is about resolving customers' problems, reactively; the latter is about making them feel good, proactively. "No matter how fast an agent answers my call or email, I'll have a poor customer experience if they make me feel stupid, unappreciated or uninformed," Picoult says. "You have to think in terms of the customer's perceptions."

How to create an excellent experience

Although there's no recipe, formula or template for the perfect customer experience, there are many things REALTORS® can do to establish positive emotional connections with their clients. Here are five of them:

Rx 1: Communicate quickly, constantly.

"Silence is deadly," says John Hanson, author of WOW Your Customers! 7 Ways to World-Class Service, who recommends implementing tools that allow you to give clients and prospects immediate replies when they contact you, even if you're not immediately available. This might include email and SMS auto-responders, for example—a simple reply to let people know their message was received—or even a chatbot, which can provide automated yet personable responses to customers online.

Silence can be particularly lethal in the middle of a transaction, according to Thuy Tran, CRS, a REALTOR® with Ferrari-Lund Real Estate in Reno, Nevada. Although real estate deals often require waiting—for financing, inspections, offers, etc.—buyers and sellers who are unfamiliar with the process may feel anxious without regular updates. Tran therefore stays in constant contact with clients, even when she doesn't have progress to report.

For Nelson, the customer experience continues even after a transaction has closed—and so, therefore, does communication. For example, he sends all past clients an annual review of their home value; calls clients to verbally congratulate them when they share important events or milestones on social media; and performs impromptu "pop-bys" to get face time with clients when he's in their neighborhood.

"I'm only there for five minutes in between appointments to stand on the doorstep and ask them how they're doing," Nelson says. "I just want them to know I'm thinking of them."

Rx 2: Set expectations.

Along with communication, information is the bedrock of a good customer experience, according to Picoult, who says a good example is Walt Disney World, where the first thing customers see upon getting in line for an attraction is the estimated wait time.

"Standing in line with a known wait time feels better than standing in line with an unknown wait time," Picoult explains. "It removes some ambiguity from your life. Even if the line is long, you feel better about the experience because you know what to expect."

REALTORS® can similarly improve the customer experience by setting expectations, according to Lisa Mathena, CRS, of The Lisa Mathena Group Inc., and a REALTOR® at Patterson-Schwartz Real Estate in Rehoboth Beach, Delaware. When a prospective client approaches her, step one in their relationship is education. She tells sellers what is required to prepare their home for sale, what the negotiating process will be like and what will happen once their home goes under contract. Buyers, meanwhile, learn about financing, home inspections, appraisals and escrow.

"Many people have no idea how to buy or sell a home," Mathena says. "When you take the time to educate them from the very beginning, it makes people feel more comfortable with the whole transaction."

Rx 3: Ask questions.

Education also is important to Madolyn Greve, CRS, broker associate at Callaway Henderson Sotheby's International Realty in Princeton, New Jersey. Because neither she nor her clients like surprises, she gives buyers who sign a buyer agency agreement a two- to three-hour consultation during which she maps out the entire homebuying process. For sellers, meanwhile, she advocates pre-listing inspections that unearth potential issues so they can be addressed proactively on the seller's terms. In both cases, it's about answering questions before they're ever asked.

Because it gives customers a sense of agency and choice, asking questions can be just as important to the customer experience as answering them. "Don't assume. Ask," Greve says. "I ask my customers how they prefer to communicate—by text, email or phone—because if you contact customers in a way that doesn't work for them, it creates an atmosphere of frustration from the very beginning."

Rx 4: Add value.

To give customers an awesome experience, REALTORS® should focus as much on exceeding expectations as they do on setting them. Mathena, for instance, positions herself as a value-added resource. Thanks to her years in real estate, she has a deep bench of trusted vendors—movers, carpenters, landscapers, plumbers, painters—who she can recommend to clients who need services. That makes their lives easier, which differentiates the experience they have with her.

Tran subscribes to a similar "value-added" philosophy. In 2018, she helped a newly divorced single mother sell her home. Because of financial pressures, time was of the essence. To get the home into selling shape quickly, Tran personally helped her clean and de-clutter the house while her husband cleaned up the overgrown yard. "Even on her moving day, my husband and one of his friends came out to help her load up and unpack at her new home," Tran says. "We find ourselves doing these kind of 'above the call of duty' items for our clients more and more."

Rx 5: End on a high note.

REALTORS® can create a positive customer experience by leveraging a psychological phenomenon known as "recency bias." The premise is simple: The last thing that happens disproportionately influences how a person feels about an experience. "If you create a peak in the experience at the end of a transaction, that peak can overshadow the negativity from any bad experience that may have happened prior," Picoult says.

Nelson is a master at this. At the conclusion of every transaction, he makes a grand gesture that's personalized to the client. If a seller is an oenophile, for example, he might find out their favorite wine and gift them a bottle to celebrate. If a buyer, on the other hand, closes on a home that was left in poor condition, he might hire a cleaning crew for them. He's also a fan of handwritten thank-you notes. And just in case those don't leave a lasting impression, he hosts regular social events for clients to ensure they always have a recent glowing memory of him.

Concludes Picoult: "REALTORS® need to think about not just the mechanics of the experience they're delivering, but also how they're making their clients feel. Your goal should be creating a positive emotional response at every opportunity."

Net Promoter Score® (NPS)

NPS measures customer experience and predicts business growth.

% Promoters — % Detractors = NPS

How NPS is calculated: Using a 0–10 scale, customers are asked how likely it is that they would recommend [brand] to a friend or colleague. Respondents are grouped as:

- Promoters (score 9–10) are loyal enthusiasts who will keep buying and refer others, fueling growth.
- Passives (score 7–8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
- Detractors (score 0–6) are unhappy customers who can damage your brand through negative word-of-mouth.

Subtracting the percentage of detractors from the percentage of promoters yields the NPS.

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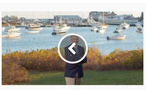

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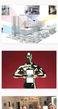

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