CRM + AGENT ADOPTION =
PRODUCTIVITY

A LOOK AT THE IMPACT AND USAGE OF CRMS IN THE REAL ESTATE INDUSTRY

REALTRENDS
THE TRUSTED SOURCE

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INTRODUCTION

The technology team at REAL Trends undoubtedly sees value in Customer Relationship Management (CRM) systems. Whether your company is big or small, independent or franchised; everyone benefits from maintaining client awareness through a CRM system. The question is, just how much does having a CRM system improve your business?

We recently partnered with technology company Boston Logic to determine the presence, usage and overall impact of CRM systems within the real estate industry. We surveyed the top residential brokerages and real estate professionals on their use or non-use of a CRM system.

From our experience, there is a high correlation between CRM system usage and agent productivity, but we wanted the data to prove the degree of impact a CRM system can make. So, we asked the same group how they felt a CRM system affected their productivity or the productivity of their agents.

Finally, we understand that best CRM system is the one that agents are using. So, we looked at which features are must haves and which techniques or systems generate the best agent adoption, both from the brokerage perspective and the agent perspective.

72.5%
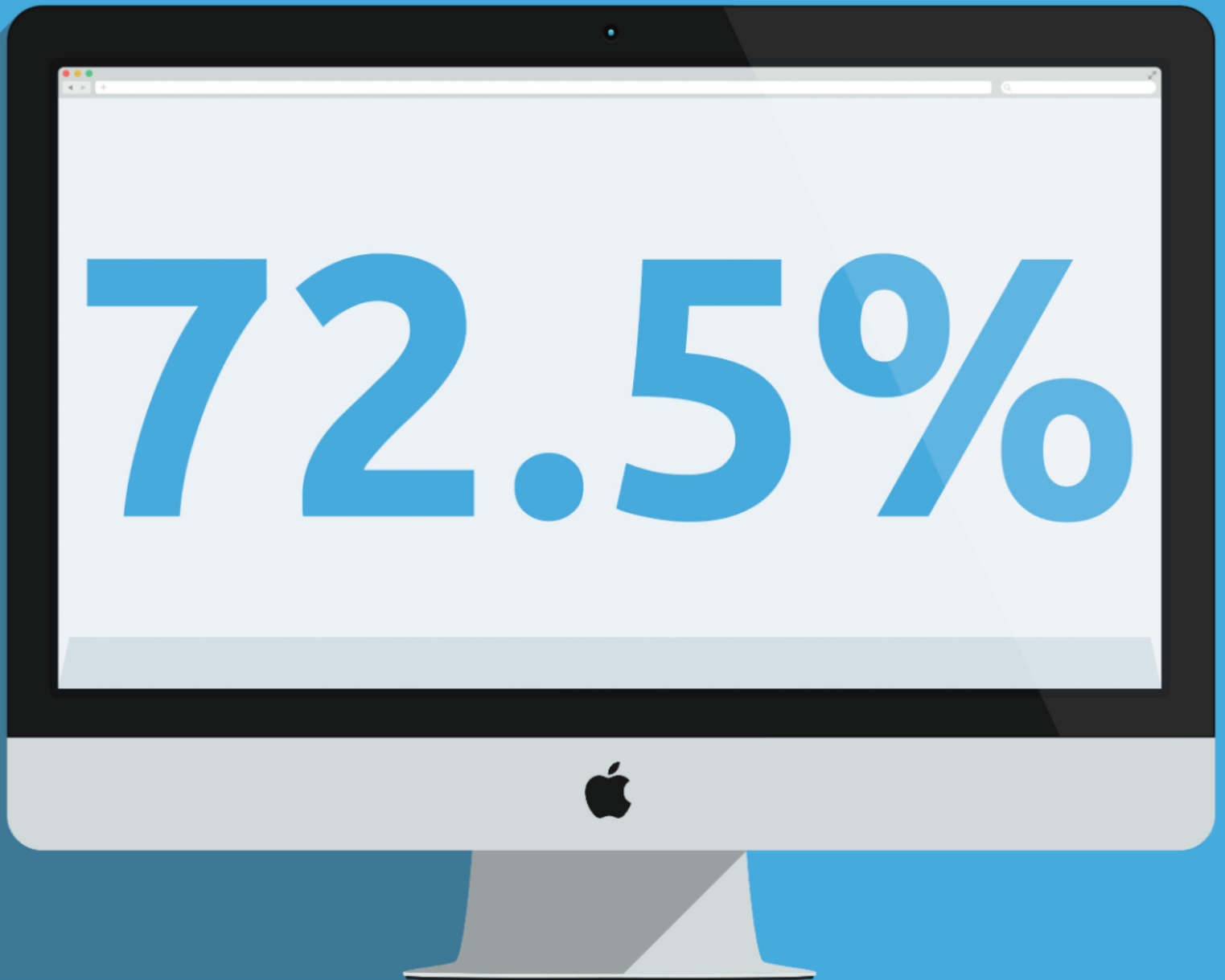
At 72.5%, nearly 3 out of every 4 agents polled in this study have a CRM system in place.

DO I NEED A CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM?

In a past study conducted by REAL Trends in 2013, we found that 40 percent of real estate professionals reported using a CRM system. Of those 40 percent, we found that 95 percent of the nation's top-performing agents use a CRM system in their business.

CRM usage has made an impressive leap since 2013. At 72.5 percent, nearly 3 out of every 4 agents polled in this study have a CRM system in place. At a similar rate, 69.4 percent of brokerages surveyed currently supply a CRM system for their agents.

Having a CRM system in place as an agent, or providing one for agents as a brokerage, seems like a relatively simple decision to make. However, roughly 30 percent of brokerages and/or agents don't invest in this business tool.

Below are the top 10 reasons we heard from brokerages on why they don't use or supply a CRM system.

What are the biggest reasons you don't use a CRM as a real estate brokerage?	
Answer Options	Response Percent
Unsure which CRM is right for me	32.1%
Other (please specify)	22.6%
I don't need a CRM	20.8%
Expensive	18.9%
I don't know where to start	13.2%
Doesn't integrate with my other systems	13.2%
Time consuming	11.3%
Too busy	11.3%
I do everything in Microsoft Outlook/Excel	5.7%
Intimidated	1.9%
Missing needed features	1.9%

The common issues deterring brokerages, and many of the responses supplied in the "other" category, were directly related to the lack of clarity on CRM systems. Nearly 1 in 3 brokerages are unsure which CRM is right for them, and another 13 percent simply didn't know where to start. One of the most common issues that the REAL Trends Technology Consulting team tackles with our brokerage clients is deciphering the complexity surrounding CRM systems.

The most surprising answer from the brokerages surveyed was that 21 percent said that they did not need a CRM system. We will address this further in the productivity section of this study.

NEARLY 1 IN 3

ARE UNSURE WHICH CRM IS RIGHT FOR THEM

As mentioned previously, approximately 30 percent of agents surveyed responded that they did not use a CRM system for their business. To understand why, see the most common agent responses below.

What are the biggest reasons you don't use a CRM as a real estate agent?	
Answer Options	Response Percent
Too busy	32.6%
Time consuming	30.3%
I don't know where to start	27.0%
Unsure which CRM is right for me	24.7%
I do everything in Microsoft Outlook/Excel	20.2%

Expensive	16.9%
I don't need a CRM	11.2%
Intimidated	7.9%
Doesn't integrate with my other systems	7.9%
Missing needed features	4.5%

From the agent perspective, clarity was a secondary issue compared to broker responses. The most significant reason agents reported not using a CRM system was a lack of time. This response is noteworthy in that the non-use of a CRM system by an agent doesn't just impact the agent; it affects the brokerage as well. We will look at strategies to overcome these challenges in the agent adoption section of this study.

PRODUCTIVITY IMPACT OF A CRM SYSTEM

How a brokerage or an individual agent engages with a CRM system may differ, but the purpose of both parties is to strengthen client relationships and increase overall productivity. From our survey, 96.2 percent of brokers indicated that they thought the use of a real estate CRM system by their agents had a positive impact on agent productivity.

As far as the overall influence on productivity, the majority of brokerages felt that the active use of a CRM system by their agents made the agents 50 percent more productive than agents who didn't use a CRM system.

Do you feel that your agents who use a CRM are more productive than those who don't? If so, by how much in comparison to your other agents?	
Answer Options	Response Percent
No more productive	3.8%
10% more	0.0%
20% more	16.5%
30% more	13.9%
40% more	15.2%
50% more	22.8%
60% more	1.3%
70% more	7.6%
80% more	3.8%
90% more	2.5%
100% or greater more effective	12.7%

In line with broker responses, the majority of real estate agents surveyed said that using a CRM system increased their productivity by at least 50 percent.

Please estimate how much more productive your CRM makes you.	
Answer Options	Response Percent
No more productive	5.4%
10% more	8.6%
20% more	9.7%
30% more	17.8%
40% more	10.3%
50% more	19.5%
60% more	5.9%
70% more	7.0%
80% more	5.9%
90% more	1.1%
100% or greater more effective	8.6%

Overall, 96.2 percent of brokerages and 94.6 percent of agents surveyed said that a CRM increased their productivity to some degree. To corroborate these responses, we collected productivity data in the terms of sides produced and the number of active agents that produced those sides for these brokerages.

When filtering responses for brokers that provide company-wide CRM systems versus those that did not, we found that brokers who offered a real estate CRM system to their agents showed a 26.2 percent increase in transaction sides per agent over those that did not provide a real estate CRM system. This number is not quite as large as the subjective results reported, but the objective results reinforce the positive impact a real estate CRM system has on agent productivity.

For both agent and broker responses, we did see a small percentage of respondents who felt that a CRM system did not affect their productivity. It could be interpreted that the CRM system used by these agents and/or brokerages lacked the necessary features for its user to engage with the technology tool in a meaningful way.

26.2%

BROKERS WHO OFFERED A REAL ESTATE CRM SYSTEM TO THEIR AGENTS SHOWED A 26.2% INCREASE IN TRANSACTION SIDES PER AGENT OVER THOSE THAT DID NOT OFFER A REAL ESTATE CRM SYSTEM.

50%

THE HIGHEST MAJORITY OF
REAL ESTATE AGENTS AND
BROKERAGES SURVEYED FELT
USING A CRM SYSTEM
INCREASED THEIR PRODUCTIVITY
BY AT LEAST 50%.

MUST-HAVE FEATURES IN A REAL ESTATE CRM SYSTEM

When contemplating the addition of a CRM system or changing your current CRM system, there are multiple features to consider, from integrations to calendars to document storage. Often, there is a variety of options from which to choose within each CRM system. The key for any brokerage or agent is delineating the features that are must-haves and those that are perks.

Below you will see a list of the most-used CRM system features by real estate brokerages, listed in order from the most used to the least used.

MOST POPULAR FEATURES USED IN A REAL ESTATE CRM SYSTEM FOR BROKERAGES

Follow-up/relationship marketing.............................. 92.13%

Drip marketing.. 86.52%

Follow-up reminders.. 70.79%

Calendar... 65.17%

Automatic follow-up.. 64.04%

Lead routing... 61.80%

Tasks and to-dos... 60.67%

Reporting 58.43%

Mobile-enabled 57.30%

Single sign-on... 52.81%

Newsletter 49.44%

Proactive Calls 48.31%
(CRM prompts you whom to contact)

Email communication 48.31%
syncs with contacts

Outside lead source integration 42.70%
(captures leads from listing portals)

Listing promotion 39.33%

CMA (comparative market analysis) 37.08%

Team functionality 35.96%
(work as a team in the CRM)

Intranet 35.96%

Social media integration 33.71%

Document storage 32.58%

Transaction management built-in 32.58%

Internal communications 30.34%
(chat or bulletin board)

Vendor integration 22.47%

Showing set-up and tracking 16.85%

Coaching principles built-in 11.24%

Predictive analytics 7.87%
(Predicts who is likely to buy/sell based on data)

The most popular CRM system features do not fully align with what brokerages consider the most important features. In fact, one component listed (transaction management built-in) is a function used by only 33 percent of the brokerages surveyed.

MOST IMPORTANT FEATURES USED IN A REAL ESTATE CRM SYSTEM FOR BROKERAGES

Follow-up/relationship marketing 43.02%

Automatic follow-up 13.95%

Drip marketing 12.79%

Mobile-enabled 3.49%

Transaction management built-in 3.49%

Document storage 2.33%

Tasks and to-dos 2.33%

Proactive calls 2.33%
(CRM prompts you whom to contact)

Lead routing 2.33%

Team functionality 2.33%
(work as a team in the CRM)

Outside lead source integration 2.33%
(capture leads from listing portals)

Whether a brokerage is providing it or not, CRM systems are ultimately in place to benefit agents and increase their productivity. Below you will see a list of the most-used CRM system features by real estate agents, listed in order from the most used to the least.

MOST POPULAR FEATURES USED IN A REAL ESTATE CRM SYSTEM FOR AGENTS

Follow-up/relationship marketing.............................. 85.19%

Drip marketing... 67.72%

Follow-up reminders................................... 63.49%

Tasks and to-dos....................................... 59.26%

Automatic follow-Up.................................... 48.68%

Calendar... 48.68%

Team functionality 46.03%
(Work as a team in the CRM)

Mobile-enabled 42.33%

Proactive calls.. 41.80%
(CRM prompts you whom to contact)

Email communication 39.68%
(syncs with contacts)

Reporting 38.10%

Lead routing... 37.04%

Outside lead source integration 30.16%
(Capture leads from listing portals)

Newsletter 29.63%

Transaction management built-in............................ 28.57%

Document storage 28.04%

Listing promotion....................................... 26.46%

Social media integration 23.81%

CMA (comparative market analysis)......................... 22.75%

Showing set-up and tracking...................................... 16.40%

Single sign-on 14.29%

Internal communications 14.29%
(chat or bulletin board)

Vendor integration 13.76%

Predictive analytics 13.23%
(Predicts who is likely to buy/sell based on data)

Intranet 9.52%

Coaching principles built-in 8.47%

Unlike brokerages, agents had CRM platforms in place that closely correlated to their ultimate needs. This could stem from the fact that agents may choose their own CRM systems, outside of what a brokerage may or may not provide, giving them greater flexibility to choose the best fit for them personally.

MOST IMPORTANT FEATURES USED IN A REAL ESTATE CRM SYSTEM FOR AGENTS

Follow-up/relationship marketing 45.16%

Drip marketing 15.59%

Tasks and to-dos 8.60%

Team functionality 6.99%
(Work as a team in the CRM)

Automatic follow-up 4.84%

Follow-up reminders 3.23%

Proactive calls 2.69%
(CRM prompts you whom to contact)

Reporting 1.61%

Lead routing 1.61%

Predictive analytics 1.61%
(Predict who is likely to buy/sell based on data)

In reviewing the above tables, the most prevalent features of real estate CRM systems are follow-up/relationship marketing, drip marketing, and automatic follow-up. These were also rated among the most important features of a CRM system.

There is a significant drop-off in importance between these three features and those of calendaring and tasking for reminders. If you are a broker seeking a robust CRM system that your agents will use, do not be wowed by other features if the system is missing a significant drip-marketing platform or relationship building tools. The lack of these must-have features will undoubtedly negatively influence your agent adoption.

#1 CRM FEATURE

FOLLOW-UP/RELATIONSHIP MARKETING

KEY FACTORS IMPACTING AGENT ADOPTION

Getting to the root of poor agent adoption in technology systems is a daunting task. There are many factors to consider when implementing a new CRM system, and as referred to earlier, the combination of offered features could make or break you. We've broken down the top hindrances to agent adoption for both brokerages and agents. Even better, we will walk you through how to overcome each of these challenges.

One of the biggest hurdles that brokerages unknowingly put in front of themselves when it comes to CRM systems is choosing a non-real estate specific system. The most common systems that we see in use by brokerages are Salesforce, Infusionsoft, and Microsoft Dynamics. The problem lies not within the systems, but in the amount of customization it takes to make the CRM system relevant to a real estate agent.

In our experience most brokers and agents are better off with real estate-specific CRM systems due to the following issues:

1. **Configuration vs. Customization.** Most large, non-real estate specific CRM systems have the ability to change their configuration through apps or plugins for a nominal cost. However, when it comes to customizations outside of the box, the flexibility of getting something built into the system is far more costly and time-consuming.

2. **MLS Feeds.** Many non-real estate CRM systems are not geared to accept an MLS feed and thus require manual entry of listing data to market listings.

3. **Lead Routing.** This is not often found as a standard feature, and most real estate brokers will pay more to enable advanced lead routing capabilities.

4. **Support.** Many of the non-real estate specific CRM systems are built by large, multi-vertical organizations where online knowledge bases, customer-driven support communities, and video tutorials are the primary support method. In most cases, paid support programs or submitting tickets into a queue are the only alternative solutions.

5. **Cost.** In some cases, such as with Salesforce, the cost can be prohibitive depending on the size of the brokerage. With those that are built to service a wider price point, like Infusionsoft, you are still combating the after costs for what it takes to adapt the system to be real estate specific. This can cost tens of thousands of dollars.

That is not to say that there aren't benefits to using non-real estate CRM systems, such as millions of dollars spent towards innovation and cutting-edge technology. However, the chances of a brokerage finding a solution that meets both their budget and overall needs from a real estate-specific CRM system, like the one offered by Boston Logic, are far more likely.

This statement holds true for most of our respondents, as well. From the brokerages and agents surveyed, 95.3 percent, and 95.2 percent, respectively, use a real estate-specific CRM system.

When it comes to agents who don't use a CRM system, the top reasons we received in our survey were that they were too busy, and it was too time-consuming. We agree that a hefty time commitment goes into properly managing and staying in tune with your database. However, we do have a few solutions for how an agent could overcome these hurdles.

1. **Automation.** Make sure day-to-day processes and lead flow can happen automatically. This is key to reducing the amount of time it takes to manage activities within your CRM system.

2. **Syncing.** Syncing with your email, mobile device, calendar, and more, is another way to reduce the time agents spend using a real estate CRM system. In fact, this might free up a lot of time in your calendar.

3. **Assistance.** Many top teams, agents, and brokerages are starting to leverage marketing assistants to aid in the implementation of real estate technology platforms. This is a great ROI-producing strategy, and a retention tool for progressive brokerages that understand the busy schedule of top producing agents.

In next year or two, there will most likely be a shift so that the agent doesn't have to login to their CRM platform because someone will be doing it on his or her behalf. In our study, we found that 9.5 percent of agent respondents had someone else login on the agent's behalf. Incorporating CRM system usage with an assistant, team leader or marketing manager strengthens the odds for agent adoption, because it minimizes the time required by the agent.

As for the volume of logins currently happening with CRM platforms, see the chart on the next page.
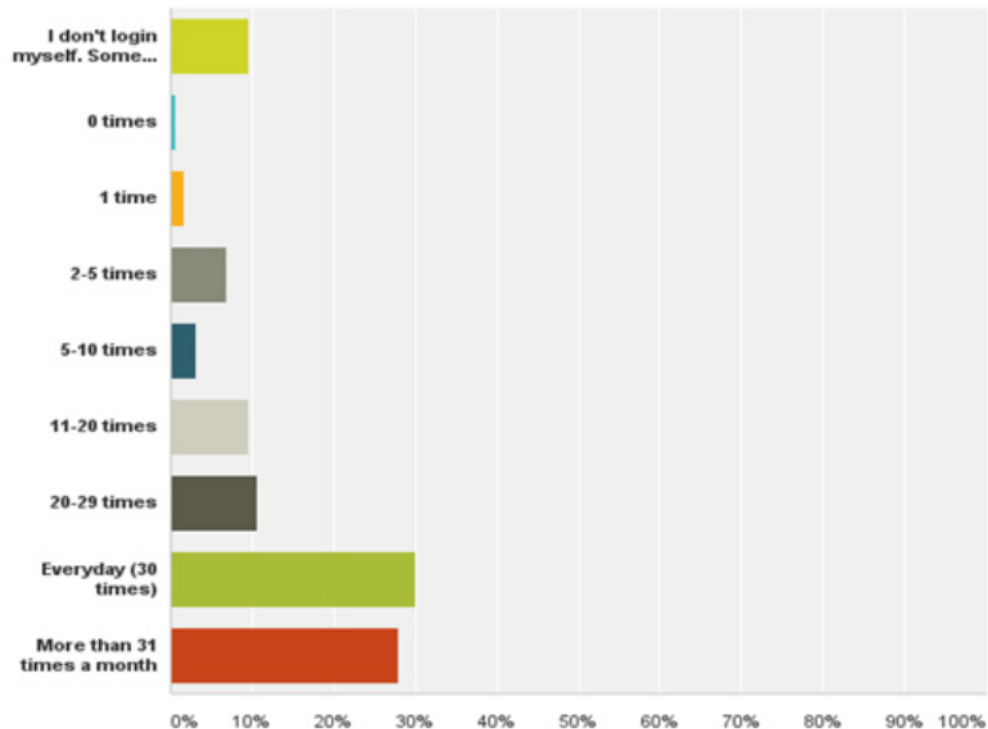
Nearly 60 percent of agents combine to log in every day or more than 31 times per month. This is an astonishing number and indicates a dramatic shift in usage and adoption of CRM platforms in our industry.

When all is said and done, how will you gauge the success of your efforts? Agent adoption of technology systems in the real estate space is a hot topic in our industry, and until now little data was available to benchmark success.

In this study, brokerages told us that on average 51.2 percent of their agent population uses the CRM platform that they supply. This is the new industry benchmark and goal when it comes to real estate CRM system agent adoption. If you do not currently have 1 out of every 2 of your agents using your system, it is time to evaluate whether your downfall is the technology or your training approaches.

CONCLUSIONS

If you doubted the value of a CRM platform, we hope you now realize the benefits of having a system in place. However, it should not be just any system. As a broker or an agent, you need to have a CRM system that helps you accomplish your everyday and ultimate goals. When you are more efficient with maintaining your client relationships, increases in productivity will follow. To catapult your adoption of a CRM platform, look for barriers and remove as many as possible. Don't make things harder by trying to fit to a system. Instead, find a system that fits to your business model or even enhances it.

If you are paralyzed by indecision on which CRM platform works best, please contact us at REAL Trends Technology Consulting, 720.545.0919 or tech@realtrends.com. We are happy to share our insights and bring clarity to your decision-making process.

METHODOLOGY

REAL Trends, in partnership with the technology company Boston Logic, set out to explore the complex world of real estate technology adoption amongst real estate brokers and agents. To do this, REAL Trends conducted a nationwide survey of both agents and brokers. The study featured 23 technology-related questions in which we received 371 complete agent responses and 353 brokerage responses to the survey. Our goal was to measure how many agents use a contact management system (CRM) and, more specifically, how they used the systems. We asked questions about what key features and benefits drives their adoption of the system. In an attempt to correlate brokers' perceptions to those of the agents, we asked similar questions to brokers. Our ultimate goal, of course, is to correlate productivity to the use of a CRM system.

BOSTON LOGIC

Boston Logic provides software and marketing services to brokerages who look to be technology leaders in their markets. In short, our clients refuse to settle for less than the best. Our software empowers, brokers, marketers, and agents to grow their business through an integrated suite of technology components and services. Customizable lead generating websites, fantastic SEO, intelligent lead distribution, CRM, email marketing, marketing automation, deal tracking, and reporting all under one roof. The results speak for themselves.

REAL TRENDS

TECHNOLOGY

ABOUT REAL TRENDS TECHNOLOGY

Before you spend thousands of dollars implementing a new website, search engine optimization strategy, or technology rollout, allow REAL Trends team to take a unbiased look at the building blocks of your current tech services. Our analysis will give you a competitive advantage by offering access to valuable system information. In addition, we can manage the improvements. Many real estate companies' websites can see dramatic performance improvements at reasonable costs.

REAL Trends technology and marketing technicians work with all-sized brokerages and top teams around the country to maximize their technology and marketing presence. From online marketing, CRM and system strategy to integrations, development and more, we can help with many of the daily issues brokerages encounter.

We are real estate leaders in technology research and thought leadership, from speaking engagements to data-driven reports and webinars. Follow our e-newsletter, TechTouch, for reviews of the newest real estate technology strategies.

Please contact us at, tech@realtrends.com or call 720-545-0919.