

Top Five Reasons the Internet Drives Housing

The Internet revolution has changed home building forever.

Recently, I have heard some people in the industry downplay the role of the Internet in selling homes and making option selections. Frankly, I was stunned at this advice, and I am concerned how damaging this point of view could be to home builders struggling to grow their businesses in a tepid market. There is little room for error in marketing your homes and staying afloat, so please consider the possibility that - the Internet, whether we like it or not, has dramatically changed home building forever and below are the top five reasons why.

Reason #1

90 percent of home buyers use the Internet to search for a home, according to the 2010 National Association of Realtors (NAR) Profile of Home Buyers and Sellers. The Internet was the number one information source cited by consumers in their national study.

Reason #2

According to Coremetrics, there is a 35 percent increase in the sales conversion rate among shoppers who viewed on-line video tours vs. those who did not. Also, shoppers viewing the product tours online spent more than 2.5 minutes, on average, engaged in viewing detailed product information about each product viewed. People are tired of having to drive everywhere to buy something. Companies that make it more convenient for buyers will outsell those who avoid providing detailed home information online.

Reason #3

According to the Neilson Global Trust in Advertising Survey, online consumer reviews are the second most trusted source of brand information and messaging, with 70 percent of global consumers surveyed online indicating they trust messages on this platform, an increase of 15 percent in four years. Companies like Amazon, Travelocity, Netflix, and an elite group of home builders have forged ahead of their competition through open customer reviews.

Reason #4

The average Facebook user has 125 friends linked to their page. If 50 customers make a post about a company on Facebook and:

- 10 percent of their friends repost this message
 - 5 percent of their friends' friends repost
 - 1 percent of their friends' friends' friends repost
- This message is conveyed to 1,183,009 people.

Reason #5

Only 42 percent of respondents in the NAR study indicated that home builder information was useful in finding a new home. While certainly there is overlap between what constitutes the Internet and Home Builders, clearly we have some work to do when it comes to offering online resources for home building such as, home virtualization, online options selections, and open online customer reviews.

Just because the industry is slow to adopt new technology it doesn't mean its bad for business. The Internet has made the most powerful impact to society in the modern era, so don't let resistance to change put your company at a potentially fatal disadvantage.

By Paul Cardis

