

The background of the slide is a photograph of three business professionals in a meeting. A woman in a white shirt is in the foreground, smiling broadly and looking towards the right. In the background, a man and a woman are looking at a laptop screen, also smiling. The scene is brightly lit, suggesting a modern office environment.

# WAV Group 2019 CRM Effectiveness Survey

CRM: THE KEY TO DRIVING SUSTAINABLE  
BROKER PROFITABILITY



## CRM: THE KEY TO DRIVING SUSTAINABLE BROKER PROFITABILITY

**T**here are tons of competing interests trying to convince brokers that they cannot be successful unless they spend millions on programs beyond the scope of the real estate sales process.

### **Here's the simple truth....**

Brokerages work when sales people do their jobs. Brokerages make money when agents consistently prospect, build relationships, secure new listings, attract new buyers, close transactions and maintain relationships with past

customers to build their referral business.

When sales people follow solid sales disciplines, brokerages grow. When sales people don't consistently prospect, close and maintain relationships, brokerages fail. It's that simple.

So, what's the best way a broker can go back to the basics and support their agents to become the best sales people they can be? Many of our clients have come to the realization that the best investment they can make today is a technology that

supports sales excellence. That technology is called Customer Relationship Management (CRM). Just about every one of our broker clients is looking at CRM solutions. They are trying to figure out the best path to shore up the profitability of their brokerage by helping their agents to be more productive.

We fielded the WAV Group 2019 CRM Effectiveness Survey to help guide our clients in making the best decisions about ways to fully leverage CRM technology in their businesses.



## Key things to know about CRM

**CRMs are becoming mainstream** – nearly 66% of respondents now offer one or more CRM solutions

**CRMs generate business** – 60% of respondents believe that CRM software helps increase their revenues

**CRMs help recruit and retain agents** – 40% of broker respondents believe CRMs help their recruiting and retention efforts

**Stand-alone solutions work best** – Satisfaction with stand-alone solutions is highest because agent adoption, satisfaction and productivity is higher than those that only use light CRM solutions included within other broker tools.

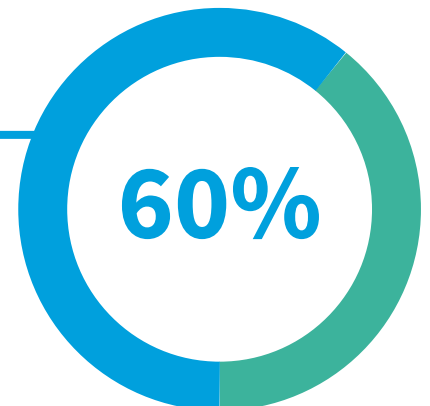
## CRM software has gone mainstream

Brokerages now understand the tool that helps an agent effectively manage every step of the sales process.

According to the 2019 WAV Group CRM Effectiveness Study, 60% of brokers who responded to the survey now offer a CRM solution to their agents.

Since there are a myriad of CRM technology offerings targeted to real estate, there is no clear and dominant CRM provider, but the following tools were the most popular – *Contactually, Inside Real Estate, IXACT Contact, and Top Producer.*

In brokerages that offer CRM solutions, website leads in brokerage were more popular than transaction management solutions and social media platforms.



DO YOU PROVIDE A (CRM) CUSTOMER RELATIONSHIP MANAGEMENT TOOL, PROGRAM, PLATFORM SOFTWARE TO YOUR AGENTS?

A man and a woman are looking at a laptop screen together. The man is on the right, smiling, and the woman is on the left, looking down at the screen. The background is dark and out of focus.

## CRM has become the foundation of broker solutions

Nearly 33% of broker respondents say that CRM is their top training priority.

Here are the reasons why they place so much importance on CRM training:

“Our CRM is at the center of our entire system. It’s the heart of the system around which everything else orbits.”

“We have a strong lead gen platform and agents have a very solid flow of leads into the platform. If they work the system which we have set up they will close transactions.”

“Because CRM is at the cornerstone of an agent’s business, we provide the system for them and then we automate email, social and print marketing for them.”

“We take all other aspects of client acquisition and escrow management off the agents’ back. We want our agents to focus on sales KPIs and the CRM in the lifeblood of the daily process.”

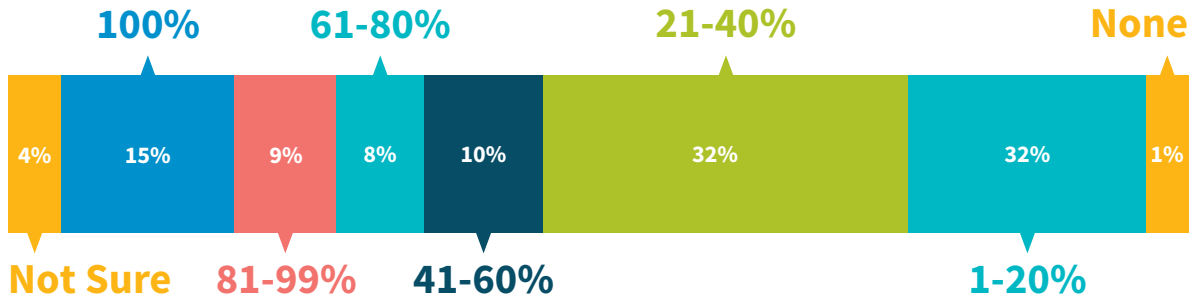
### Regular CRM usage is prevalent

Brokers believe that about 33% of their agents are using their CRM regularly throughout the week.

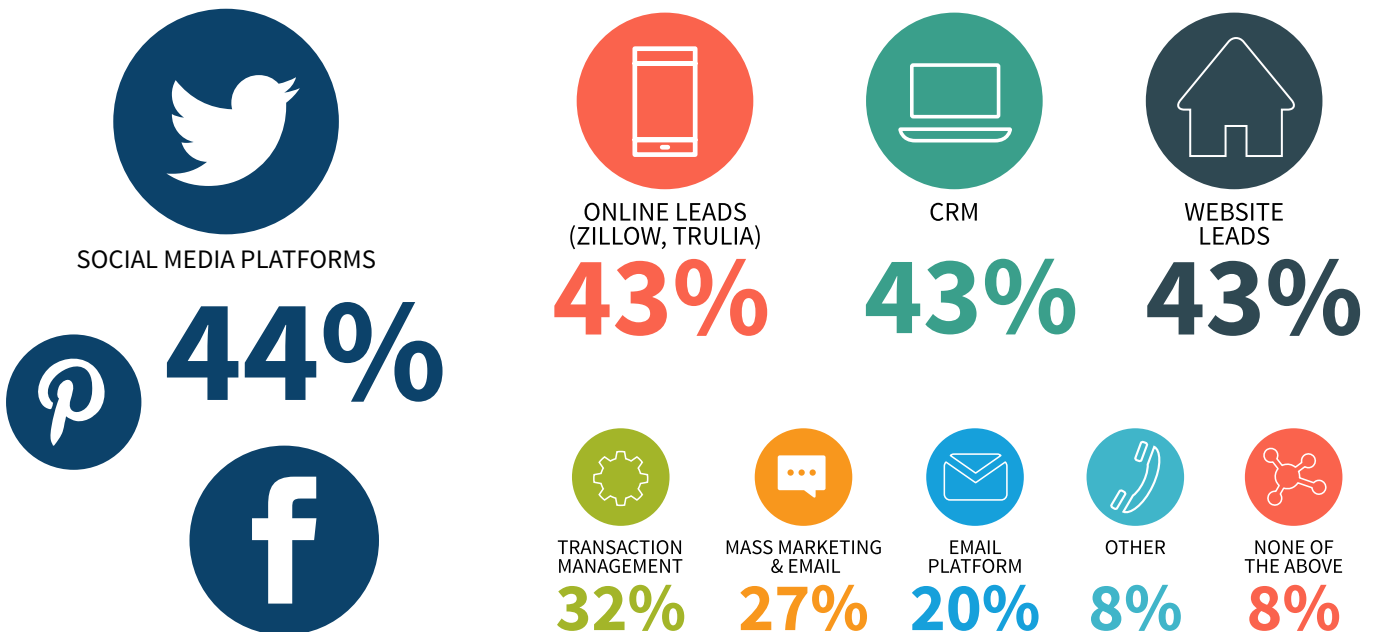
## CRMs seen as one of the top 3 most important marketing tools

Brokers believe that social media platforms, CRM solutions and online leads are seen as the three most important marketing tools for their agents.

APPROXIMATELY WHAT PERCENTAGE OF YOUR AGENTS ARE USING THE CRM YOU OFFER ON A WEEKLY BASIS (I.E., SIGNING IN WEEKLY AND FOLLOWING-UP WITH CUSTOMERS)?



WHAT DO YOUR AGENTS PERCEIVE AS THE THREE MOST CRITICAL TOOLS TO SUCCESSFULLY SELLING REAL ESTATE?





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## What are the main benefits of CRM Solutions?

Brokers credit CRM solutions with supporting several important factors that contribute to sales success.

### **Strengthen Customer Relationships**

As the category name suggests, CRM solutions are great at helping agents build stronger customer relationships. Nearly 80% of brokers believe a CRM helps agents curate, nurture and convert leads.

### **Organization**

Staying organized is difficult for sales professionals. Maintaining the constant balance of lead generation with managing day-to-day business, while continually maintaining customer relationships can be a daunting task. Nearly 75% of brokers believe their CRM solutions helps their agents get – and stay – more organized, a key element in sales success.

### **Qualify, nurture and convert leads**

According to a study conducted by Forbes, 71% of online leads are wasted because of the lack of follow-up. On average, 72% of broker respondents believe that CRM solutions help their agents qualify, nurture and convert leads more effectively.

Systems that seamlessly integrate online leads generated from portals and broker websites are particularly effectively at helping to improve lead conversion rates.

### **Support better customer follow-up**

The agent that delivers the information that their prospects and customers want in a timely fashion are much more likely to succeed, and be perceived as trustworthy. Nearly 66% of broker respondents credit CRM solutions with helping agents follow up more effectively with their customers.

### **Agents stay more motivated and accountable**

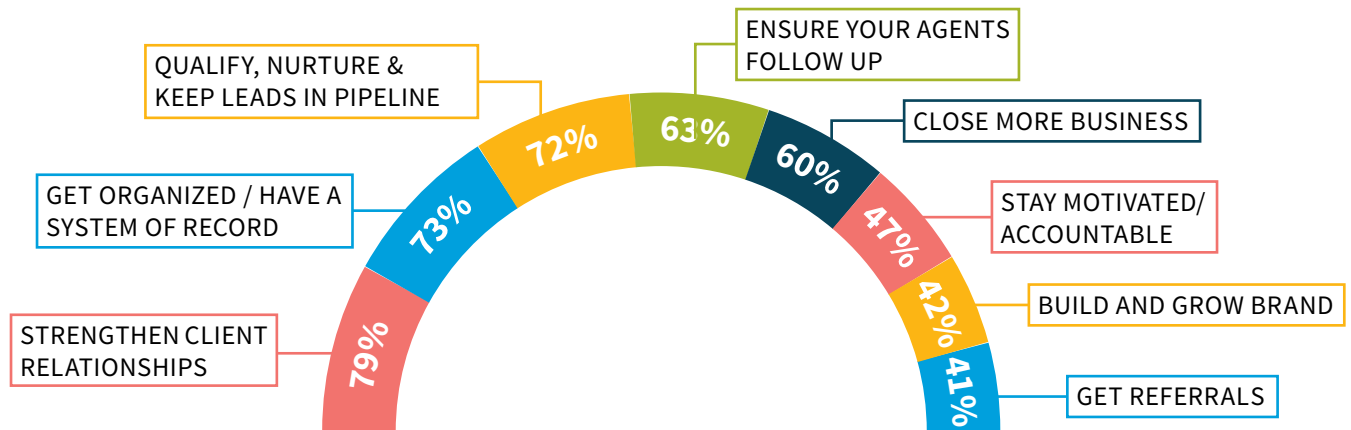
The best agents hold themselves accountable. They wake up excited and motivated to make something great happen every day!

Nearly 50% of brokers in the 2019 WAV Group CRM Effectiveness Study believe that CRM solutions help agents stay in the game every day and focused on the sales activities that will generate the most business.

### **Close more business!**

And here's the real bottom line: Brokers believe agents close more business when they regularly engage with their CRM solution.

## WHAT DO YOU BELIEVE ARE THE KEY BENEFITS OF CRM PLATFORMS FOR YOUR AGENTS?



### What results do CRM solutions generate for agents?

Brokers are getting behind CRM solutions because agents who use them regularly are more successful in a variety of ways:

#### Help agents become more productive

Nearly 60% of broker respondents believe agents are more productive when they use CRMs regularly. From my own experience I know that salespeople who create a method for regular follow-up are going to succeed more than those that don't. It's that simple.

#### Help agents increase their repeat and referral business

58% of brokers believe agents stay in touch better with customers when they have automation tools that help expand an agent's ability to communicate regularly with past customers, helping them to develop their repeat and referral business.

#### Support strong sales habits

A salesperson who regularly prospects, closes, manages and maintains relationships is going to be more successful. CRM software supports an agent in every step of the sales process, automating marketing campaigns, reminding the agent of important tasks and ensuring that expensive online leads get fully leveraged. Nearly 50% of the brokers responding to the 2019 WAV Group CRM Effectiveness Study told us their agents have stronger sales habits when they use a CRM.

#### Help agents manage stress levels

Commission-only sales can be a very lonely and stressful life. Nearly 40% of brokers believe their agents feel less overwhelmed by managing every phase of the sales process when they have a system supporting them to prioritize the most important tasks.

## WHAT IMPACT HAS CRM HAD ON YOUR AGENTS WHO REGULARLY USE IT?



### How do CRMs support broker success?

Brokers responding to the 2018 WAV Group CRM Effectiveness Study believe there are solid benefits for their businesses.

#### **Gives your top performers a reason to stay**

More than 40% of the brokers surveyed believe that when their agents become more successful with the CRM offered by the company, they are more likely to retain them. CRMs are a tangible way for brokers to show they are vested in their agent's success. The more training available to get agents leveraging CRM tools fully and the more successful agents become, the less likely they are to leave.

#### **Increases brokerage profitability**

According to the study, 39% of brokers believe the CRM has helped them become a more profitable brokerage. With more productive agents following solid sales fundamentals, the less likely the brokerage is to continually throw expensive third party leads at them.

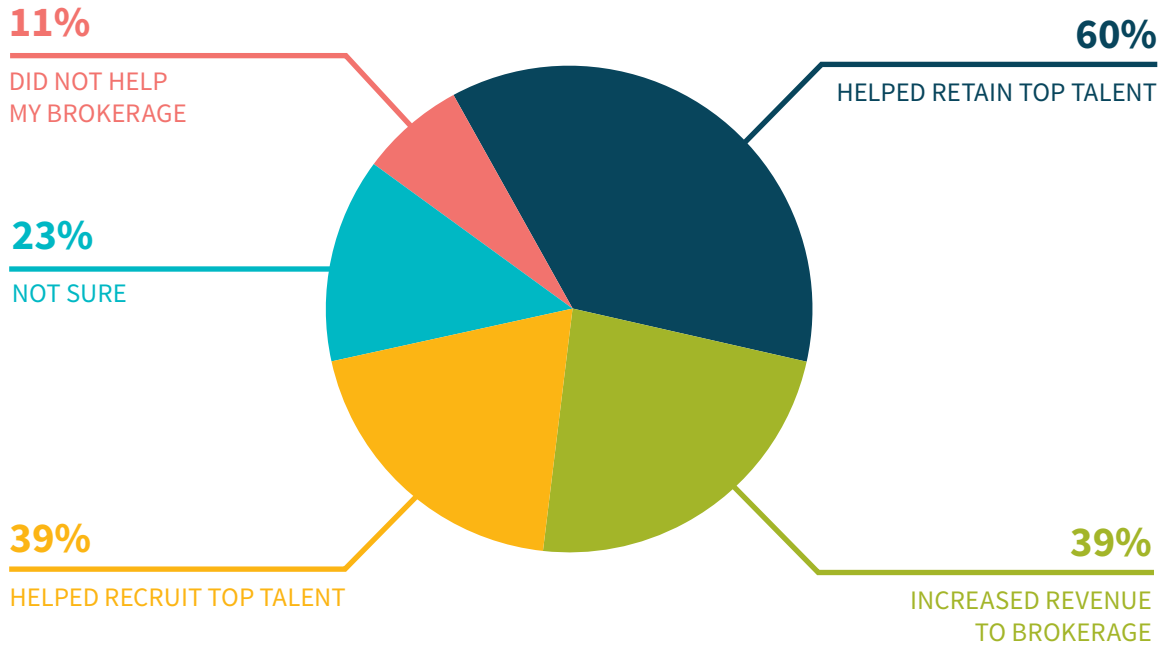
#### **Must have for successful recruiting**

Just about every one of the best brokerages and franchises today offer a CRM solution. They know that a strong CRM platform is necessary because the best agents know how important they are. Nearly 33% of brokers believe their CRM has helped them recruit more effectively. Large brokerages are using CRM solutions as one of the ways to recruit agents since smaller companies are not offering CRMs as consistently. Just 39% of brokerages with 10 or less agents are offering CRM solutions today.



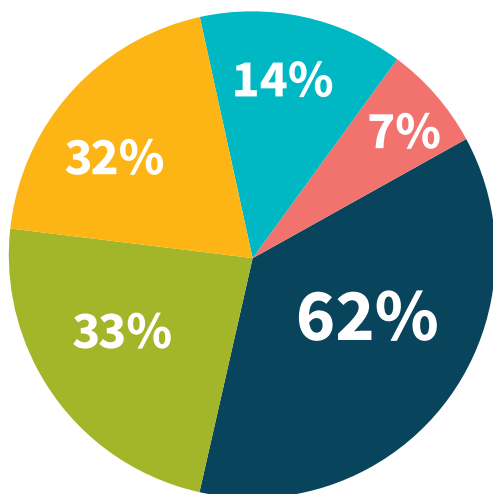


## HOW HAS THE CRM YOU OFFERED HELPED YOUR BROKERAGE?



### Stand-alone CRM solutions preferred

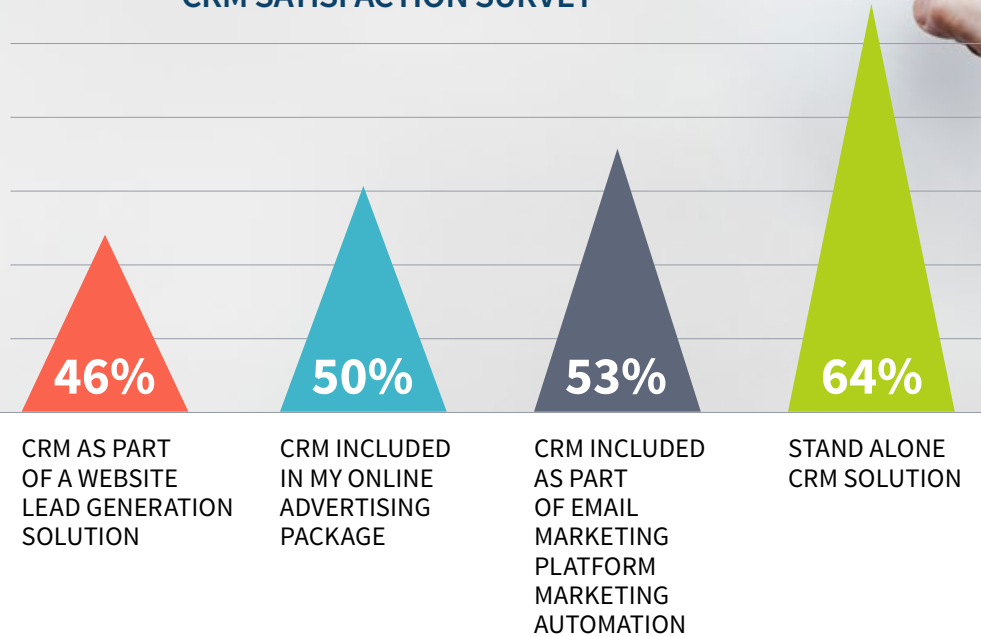
All CRM solutions are NOT created equal. Some CRM functionality is included as part of a larger solution while some CRM systems are stand-alone solutions. Nearly 66% of the broker respondents are currently using CRM modules that are part of a website or lead generation program. Just under 33% are now offering a stand-alone, full-featured CRM platform to their agents. While just 33% of brokers are offering a stand-alone solution, satisfaction is significantly higher for these full-featured programs.



### WHAT TYPE OF CRM DO YOU OFFER?

- CRM AS PART OF A WEBSITE/LEAD GENERATION SOLUTION
- CRM INCLUDED AS PART OF AN EMAIL MARKETING PLATFORM/MARKETING AUTOMATION
- STAND-ALONE CRM SOLUTION
- CRM INCLUDED IN MY ONLINE ADVERTISING PACKAGE
- OTHER (PLEASE SPECIFY)

## CRM SATISFACTION SURVEY



### Perceived return on investment highest for stand-alone CRM solutions

For stand-alone solutions, the highest rated type of CRM solution, perceived return on investment is much stronger than other types of platform--nearly **3 times the perceived ROI** than website leads or online leads.



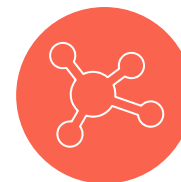
56%

CRM



39%

TRANSACTION MANAGEMENT



17%

OPEN HOUSE MANAGEMENT



47%

EMAIL PLATFORMS



19%

WEBSITE LEADS



39%

SOCIAL MEDIA PLATFORMS



17%

ONLINE LEADS

# POTENTIAL PROFITABILITY OF A CRM SOLUTION

60% of brokers using free-standing solutions believe CRMs help close more business and increase their profitability.



## Let's Try a Simple Experiment

Do a little experiment for your own business and calculate what types of profitability increases you can generate using this simple formula. If you could get every agent to close one more transaction for you, what could it look like?

**For a medium-sized brokerage it can generate hundreds of thousands of dollars!**

You can use the formula below to calculate how additional productivity can help drive up your profitability:

### Brokerage Success Formula

Number of Agents:	<b>250</b>
Avg Price Point:	<b>\$200,000 (median price point in US)</b>
Average Commission	<b>2.54% (Based on REAL Trends Study)</b>
Commission per deal	<b>5,080</b>
Revenue from 1 additional transaction per Agent	<b>\$1,350,000</b>
Commission Split	<b>70% / 30%</b>
Revenue to Brokerage	<b>\$405,000</b>

## Features Prioritized to Choose Free Standing Solutions

Those that chose free standing solutions were interested in several features that help agents build, nurture and maintain relationships.

### WHAT ARE THE KEY FEATURES/FUNCTIONALITY THAT MOTIVATED YOU TO CHOOSE THE CRM SOLUTION YOU OFFER TODAY?



**50%**

AUTOMATICALLY FEEDS LEADS INTO THE DRIP CAMPAIGNS INCLUDED

**43%**

ROBUST FEATURES TO HELP AGENTS NURTURE PROSPECTS AND PAST CLIENTS

**43%**

AUTOMATED MARKETING CAMPAIGNS INCLUDED



**42%**

AUTOMATICALLY REMINDS MY AGENTS WHO TO CALL EVERY MORNING TO HELP THEM BE MORE EFFICIENT

**38%**

ABILITY TO ASSIGN LEADS AND MONITOR LEAD RESPONSE TIMES

**37%**

STRONG CUSTOMER SUPPORT

**35%**

LOOKED EASY TO USE



**32%**

SEAMLESS INTEGRATION WITH GMAIL, OUTLOOK, MICROSOFT 360, ETC.

**32%**

ABILITY FOR CONSUMER TO CREATE ACCOUNT FOR SAVED SEARCHES

**31%**

TRUSTED THE COMPANY

**30%**

ALLOWS AGENTS TO EASILY UPLOAD CONTACTS FROM GOOGLE, OUTLOOK, ETC.

**30%**

SEAMLESS INTEGRATION WITH ONLINE ADVERTISING SOURCES E.G. ZILLOW, REALTOR, ETC.



**29%**

EASY TO USE WITH SELF-GUIDED TRAINING

**28%**

FLEXIBILITY TO INTEGRATE WITH OUR BROKERAGE'S OWN CUSTOM SUITE OF TECHNOLOGIES

**20%**

RECOMMENDED BY PEERS

**17%**

STRONG TRAINING



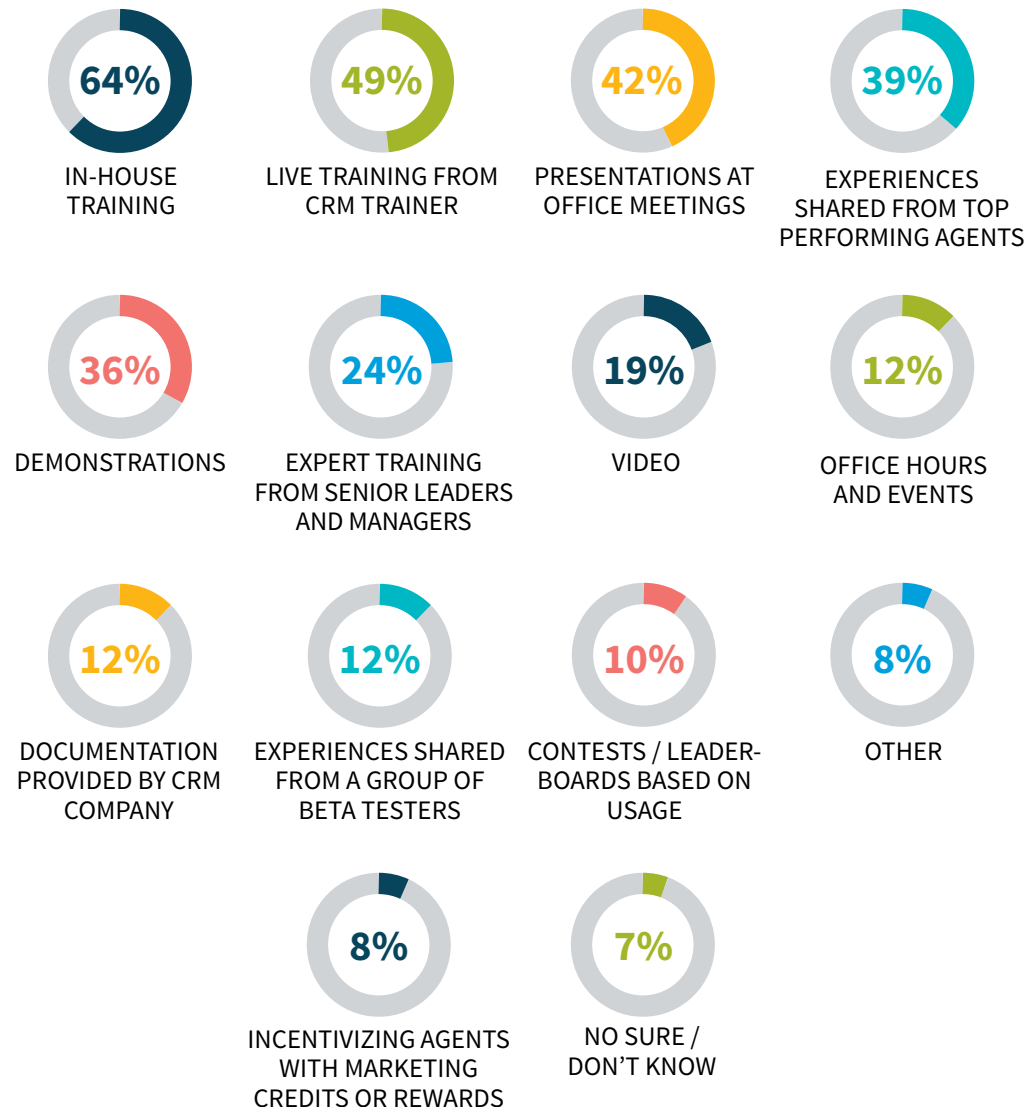
**13%**

OTHER (PLEASE SPECIFY)

## Maximizing engagement and adoption of CRM solutions

While CRM solutions can be extremely valuable, changing the behaviors of successful and well-established agents can be difficult. Some brokers have had tremendous success in guiding their agents toward effective and lasting adoption of CRM tools. Those in the survey tell us you must invest in your own in-house training so that you can consistently reinforce the marketing power of CRM solutions. These solutions won't "stick" with just one round of introductory training. It takes a long-term commitment to providing ongoing support and training to your managers as well as your agents.

### WHAT HAVE YOU FOUND TO BE THE BEST WAYS TO ENCOURAGE ADOPTION OF YOUR CRM?





## Conclusion

The results of the 2019 WAV Group CRM Effectiveness Study suggest that CRM software is a valuable tool, and arguably **one of the most important tools brokers of all sizes need to invest in** on behalf of their agents. When leveraged effectively, CRM solutions can positively impact a brokerage's ability to recruit, retain and generate more bottom-line profitability.

### About the Author

Marilyn Wilson is a partner at WAV Group Consulting.

Her firm is passionate about helping the real estate industry continue to evolve and grow by taking advantage of the latest technologies and tools, including all of the opportunities provided by the Real Estate Standards Organization. WAV Group is a trusted strategic advisor to the industry's largest and most progressive brokerages, MLSs, and technology companies.

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### About WAV Group

WAV Group provides consulting services that deliver equally on both strategic planning and technology and process implementation for enterprise brokerage organizations in real estate.

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