

Real Estate Professionals & Smartphones

Over the last decade, mobile devices have evolved significantly to meet the needs of users who are constantly on the “go.” Today’s mobile devices are no longer used just to make phone calls. They are multipurpose mini-desktop PCs that are easily customized to meet everyday needs.

For real estate professionals it is critical to be on the road and stay connected to the office and to their clients. When it comes to smartphone features- contact management software, infrared integration for lockboxes, access to MLS listings, email access, and a web browser are at the top of this group’s “must have” list while applications that display MLS listings effectively and load quickly are highly desired.

This white paper gives a high-level snapshot of smartphones and the real estate professional. As the need to be mobile increases, how are smartphone providers & application developers rising to the challenge? More importantly, what – if anything – is being done to think ahead and meet the needs of real estate professionals? You’ll see that, in some cases, this group differs from the overall population of smartphone users. Read on to learn more about this important niche of mobile users.

Background

The definition of a smartphone is blurred. Some define it broadly as a tool that combines a phone and provides some rich applications. PC Magazine, for example, defines a smartphone as a digital voice service with any combination of email, text messaging, pager, web access, voice recognition, still and/or video camera, MP3, TV or video player and organizer.

Why isn’t there a single definition? The smartphone has evolved quickly in the last few years as manufacturers continue making enhancement to mobile devices. The following is a quick glimpse of the smartphone evolution.

In 1993, IBM launches the first smartphone know as “simon” which contained some basic PIM (personal information management) capabilities such as a calendar and address book. It was sold in 15 states in 1994, and was originally priced at \$899.

In 1999, the first Palm OS-powered smartphone is introduced as the QUALCOMM pdQ. It combined the Palm organizer with a digital phone.

The first open Symbian OS phone, the Nokia 9210, was released in June 2001.

The Danger Hiptop was released in October 2002 as the T-Mobile Sidekick™. The Sidekick™ offers a phone, HTML Web browsing, email with attachments, instant messaging, PIM (personal information management), entertainment features and a digital camera accessory.

The BlackBerry® which supports push email, mobile phone, texting, and web browsing, etc. was released in 2002.

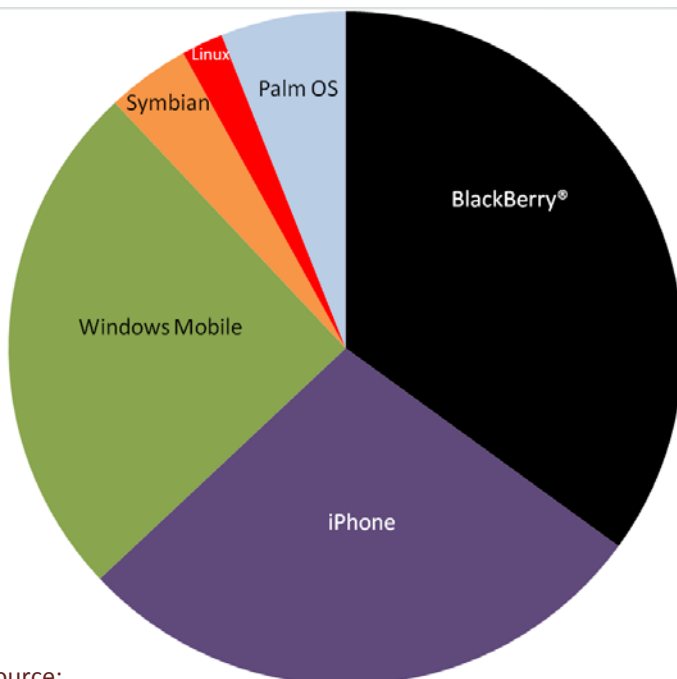
In October 2003 the first Microsoft-based smartphone to be offered by a major handset maker, Motorola introduces the MPx200. At that time the market for smartphones was fairly small. The price point was \$299. The mobile **data user** was the key target. This target was extremely interested in using email and instant messenger to communicate.

Linux Mobile (LiMo) was formed. It is an independent, not-for-profit entity formed in January 2007 by Motorola, NEC, NTT DoCoMo (DCM), Panasonic Mobile Communications, Samsung Electronics and Vodafone (VOD). LiMo is charged with developing a Linux-based software platform for mobile devices that has the blessing of two large carriers — Vodafone and NTT DoCoMo — and top-tier mobile handset makers such as Motorola, Samsung, LG, as well as several Japanese manufacturer

In October 2008, BlackBerry® came out with a flip phone (Pearl™ Flip 8220). T-Mobile states that through research they've found that the flip phone is the vastly dominant and preferred design for mobile phones in the U.S.

Current State

According to mocoNews.net, in May 2008, Consumer phone sales reached 31 million, falling 22% compared to 2007. Yet the phones being sold today are higher end compared to one year ago. smartphones comprise 17% of all phone sales. This marks a 10% increase.



Source:
Canalys, 2007

Current smartphones employ one of the following operating systems (OS):

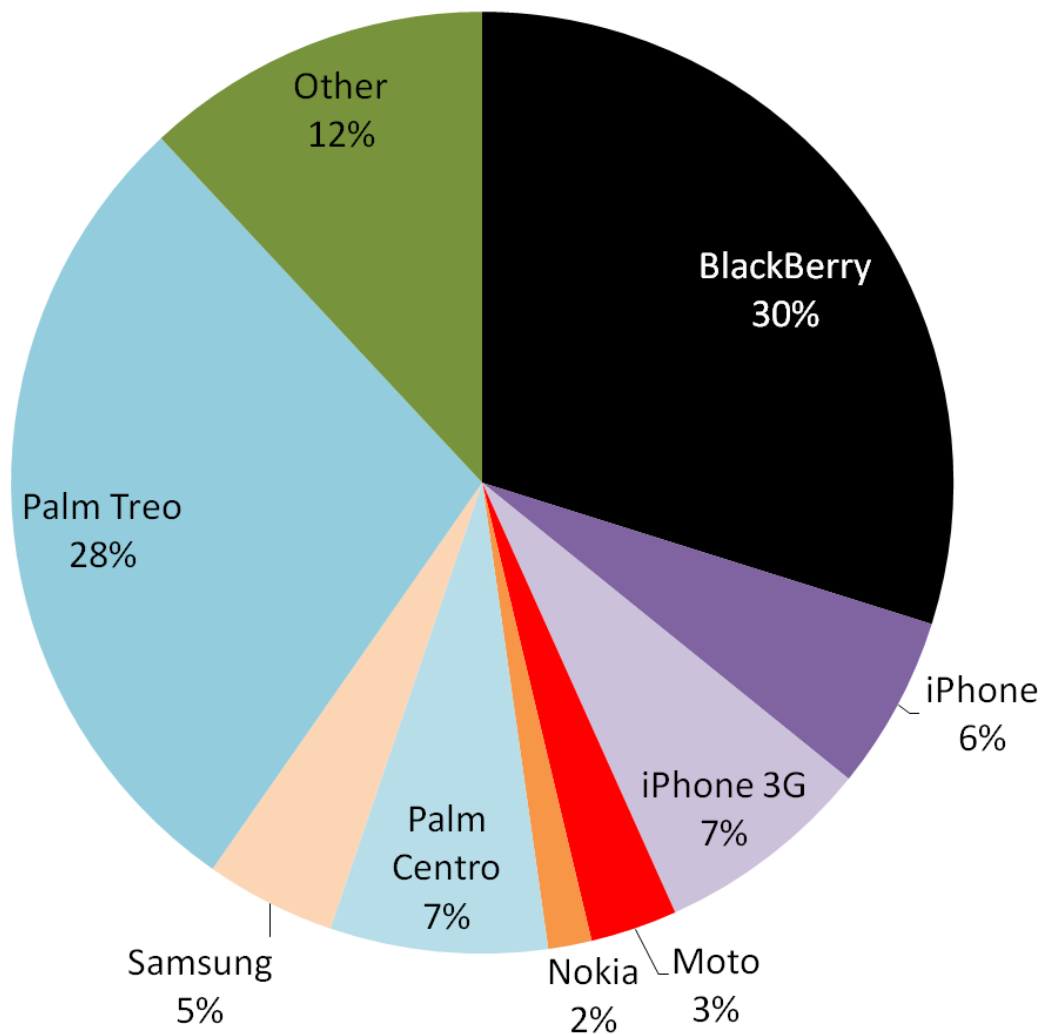
- Garnet or Palm OS (Palm Centro and Treo)
- iPhone OS (iPhone)
- Linux (Android)
- Research In Motion - RIM (BlackBerry®)
- Symbian (Nokia)
- Windows Mobile (HTC, Samsung).

Canalys reports that at the end of 2007 – RIM, iPhone, and Windows Mobile dominated the North American smartphone market.

By 2013 Linux is expected to take 23% of the smartphone market and will be the second most prevalent solution behind Symbian (ABI Research).

How does this translate when it comes to REALTORS®? It's a bit different. The RIM and the Garnet/Palm operating systems are the most popular. An October 2008 survey* conducted by the National Association of REALTORS'® Center for REALTOR® Technology (CRT) found that 28% of respondents use a Palm Treo, while another 30% use a BlackBerry®. Those that selected 'other' indicate that they use a Motorola Q series or an HP smartphone. It should also be noted that the Android and Sidekick (although offered as survey response options) were not selected by any survey participants.

Brand of Smartphone used by REALTORS® for real estate business purposes



*The October 2008 CRT Smartphone Survey had 896 participants that included brokers, associate brokers, broker-owners, agents, and managers. The survey had a +/- 3.24 margin of error at the 95% confidence level.

It's important to account for smartphone price points when talking about independent contractors as is the case with many real estate professionals. As noted in a 2008 REALTOR® Magazine Buyer's Guide, smartphones range anywhere from \$249 to \$699. These price points are always in flux as new devices enter the marketplace.

In return for their money, the buyer can expect many of the following features besides a phone: texting, email, sending/receiving PDFs, full range of software applications, calendar, digital camera, video recorder, wireless access to the web, GPS, lockbox integration, expandable memory cards, voice-activated dialing, and MP3 player.

The question at hand remains - which of these features resonates most with REALTORS®. Do these features meet their business needs or is there a gap in the smartphone applications currently available to them?

Getting to know the REALTORS®

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the NATIONAL ASSOCIATION of REALTORS® and subscribes to its strict Code of Ethics. According to the 2008 National Association of REALTORS® Member Profile:

- The majority of REALTORS® work as sales agents
- The typical REALTOR® has been in business for eight years
- Email is used nearly as frequently as cell phones by REALTORS®
- Four out of five REALTORS® work as independent contractors
- In 2007 the median gross income among all REALTORS® was \$42,600
- The median age of REALTORS® is 52.

Forty-two percent (42%) of REALTORS® participating in the 2008 CRT Technology Survey indicated that they use a smartphone (a device with wireless email, a browser, etc. similar to a Treo, BlackBerry® or iPhone). Thirty-seven percent (37%) of those participating in the survey plan on purchasing or replacing a smartphone in the next year.

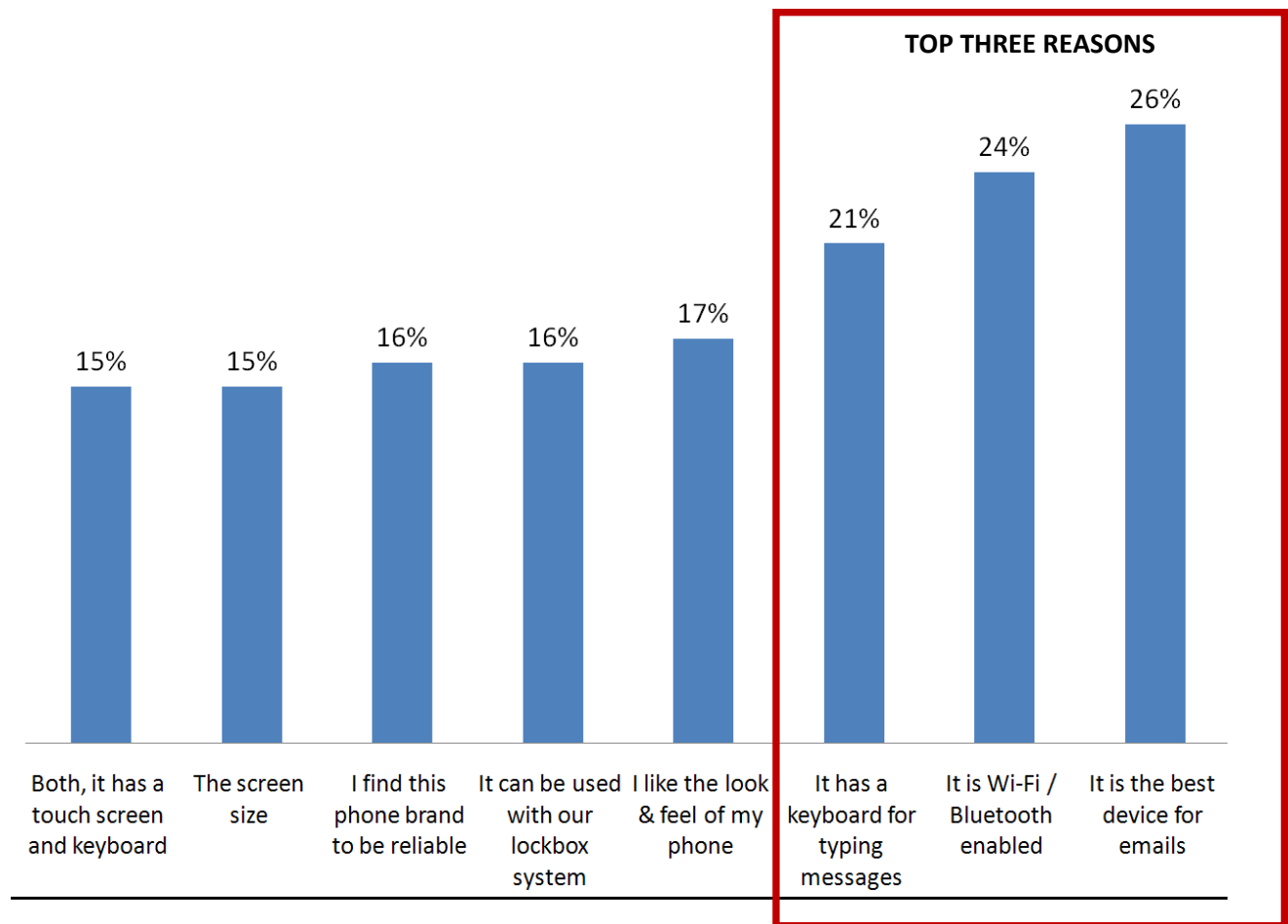
Smartphone Usage & Perception

In order to better understand REALTORS® use, perceptions and needs when it comes to smartphones, The Center for REALTOR® Technology (CRT) surveyed a random sample of brokers, associate brokers, broker-owners, agents, and managers. With 896 participants, the survey had a +/- 3.24 margin of error at the 95% confidence level, and therefore results are considered statistically valid.

Unless otherwise noted, the following charts were generated from responses received through the October 2008 CRT Smartphone Survey among REALTORS®.

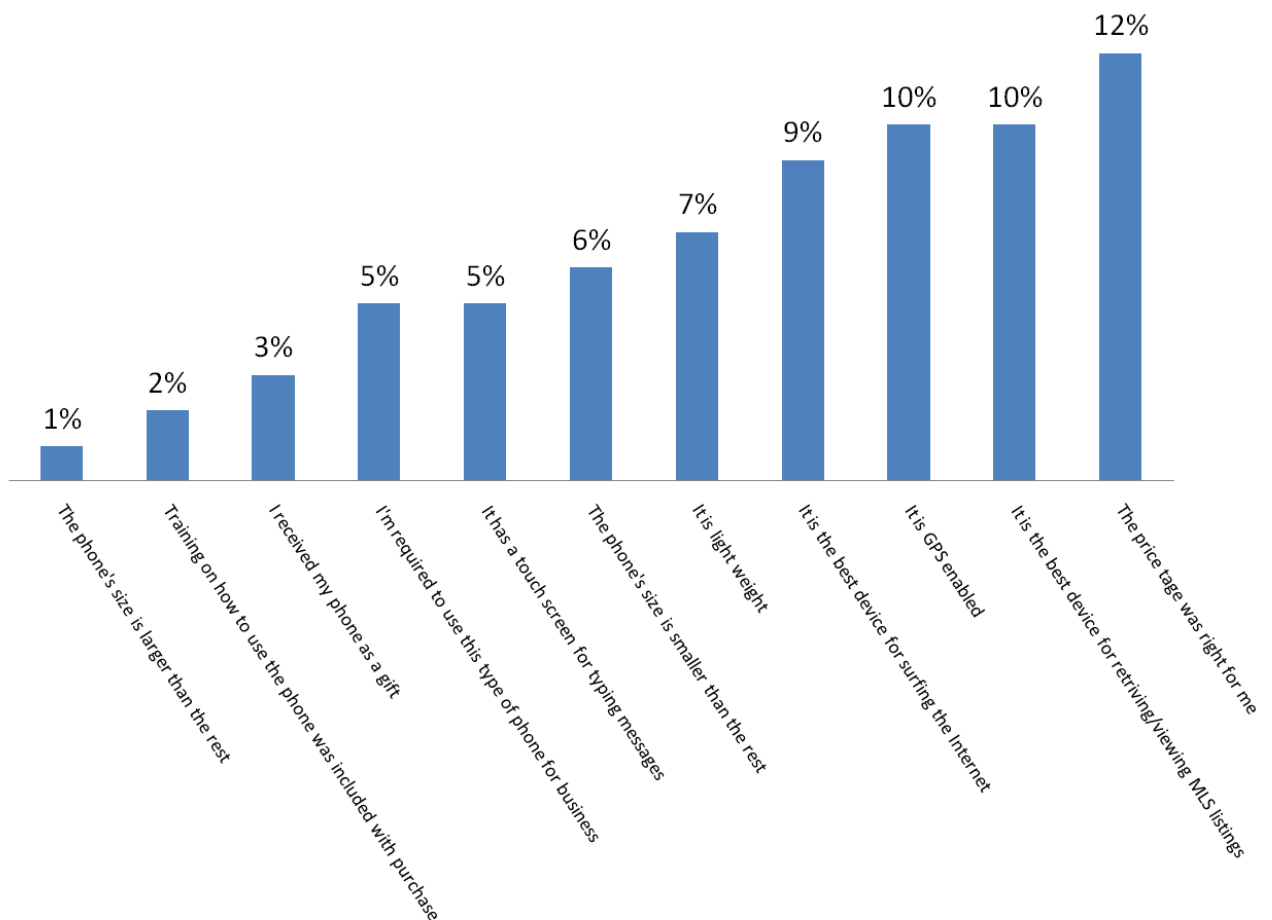
Survey takers were asked to select the **top three reasons** that motivated them to acquire their current smartphone. The top three reasons were: ‘best device for emails’ (26%); Wi-Fi/Bluetooth enabled (24%); ‘it has a keyboard for typing messages’ (21%).

Reasons that motivated respondents to acquire their present smartphone



The following chart displays less popular reasons for selecting a smartphone among REALTORS®.

Reasons that motivated respondents to acquire their present smartphone

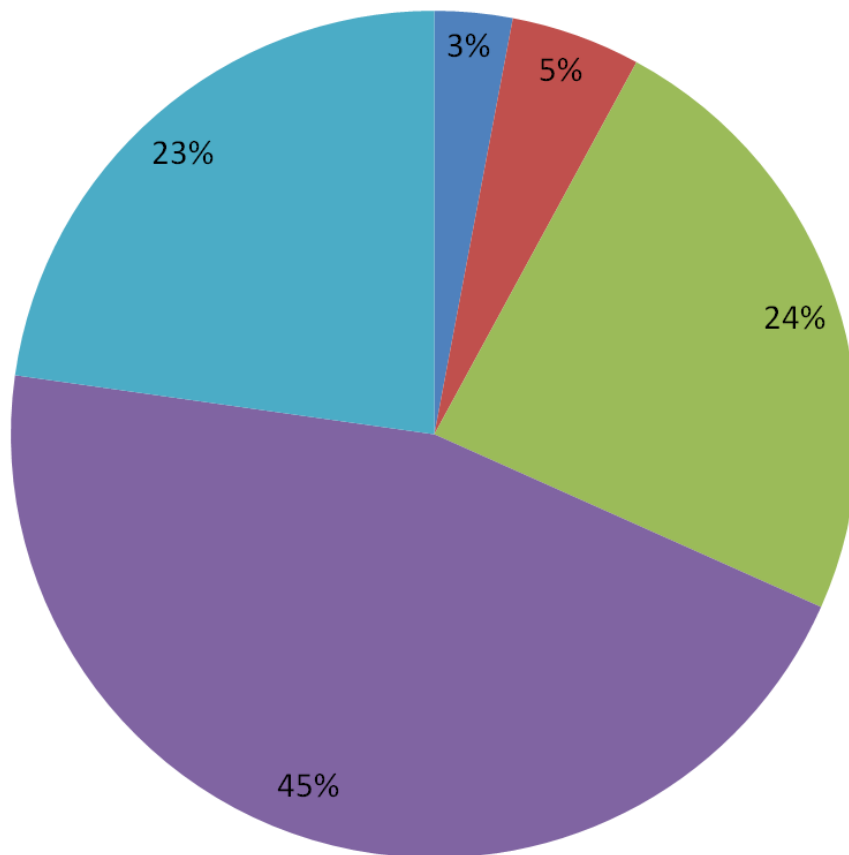


Although some brokerages may require or provide specific smartphones to their agents, our survey findings indicate that this was not the most important deciding factor in the type of smartphone that they use.

Forty-five percent (45%) of respondents indicate that they are satisfied with their current smartphone.

Satisfaction with current smartphone

■ Extremely dissatisfied ■ Dissatisfied ■ Somewhat satisfied ■ Satisfied ■ Extremely Satisfied



When asked how soon they intend to replace their current smartphone, 25% indicate they will replace it within the next 6 months. Another 20% will replace it within 7-12 months; 33% in more than 12 months; and, 22% have not thought about it.

Survey participants indicate they intend to purchase one of the following: BlackBerry® (24%); iPhone 3G (16%); Palm Treo (8%); other (HTC and “phone compatible with lockbox” were mentioned) – 3%; Palm Centro (2%). Twenty-one percent (21%) are not sure what they will purchase next time.

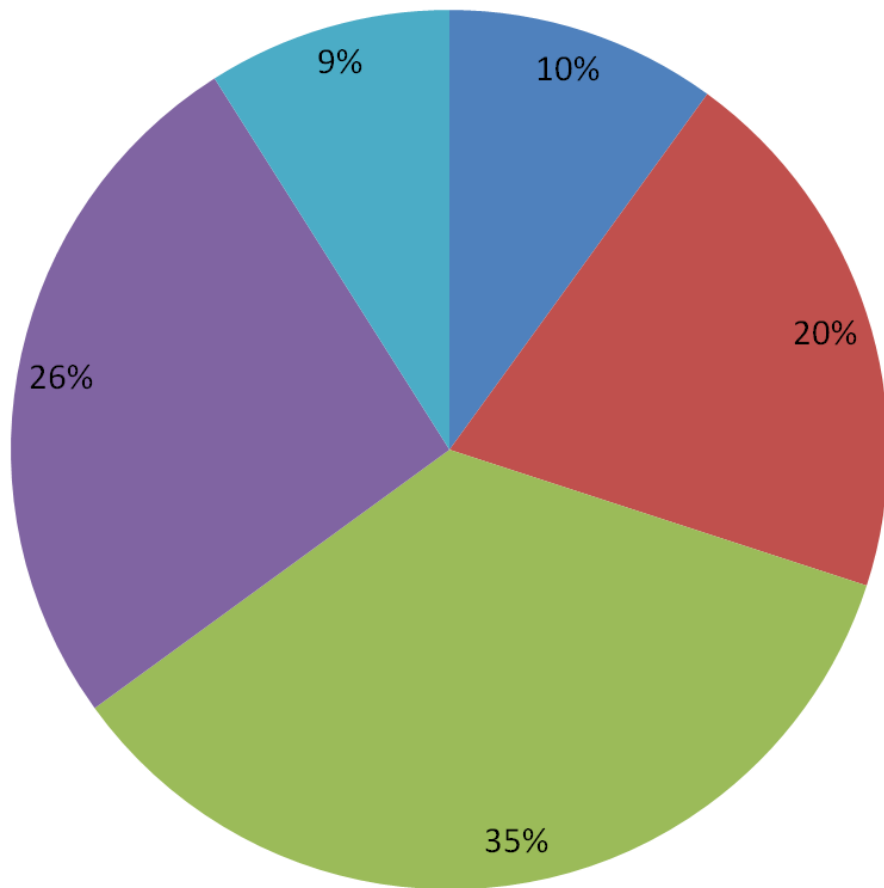
Needs

Obtaining smartphone training and accessing MLS listings through their smartphones were very important to REALTORS® participating in several NAR focus groups (conducted first half of 2008). In order to better understand these needs, the 2008 CRT Smartphone survey asked several questions about these areas.

Thirty-five percent (35%) are interested in getting the most out of the smartphone through training.

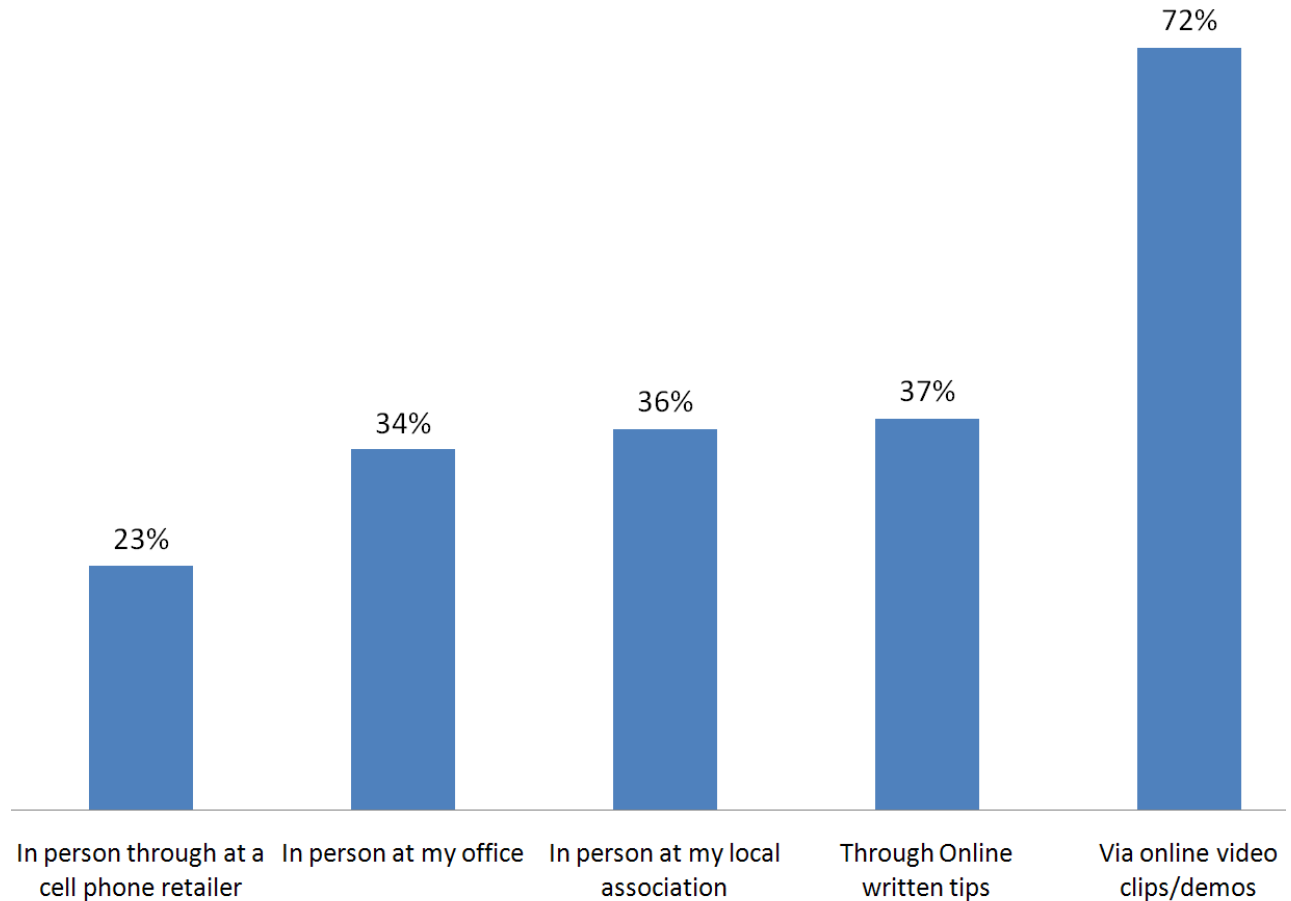
Degree of interest in receiving some training on smartphone usage

- Not at all Interested
- Somewhat Interested
- Interested
- Extremely Interested
- Not sure



Those that indicated being extremely interested (26%) or interested (35%) in smartphone training were asked about the best delivery method. Respondents were able to select more than one delivery method. The majority (72%) would like to access smartphone training via online video clips/demos.

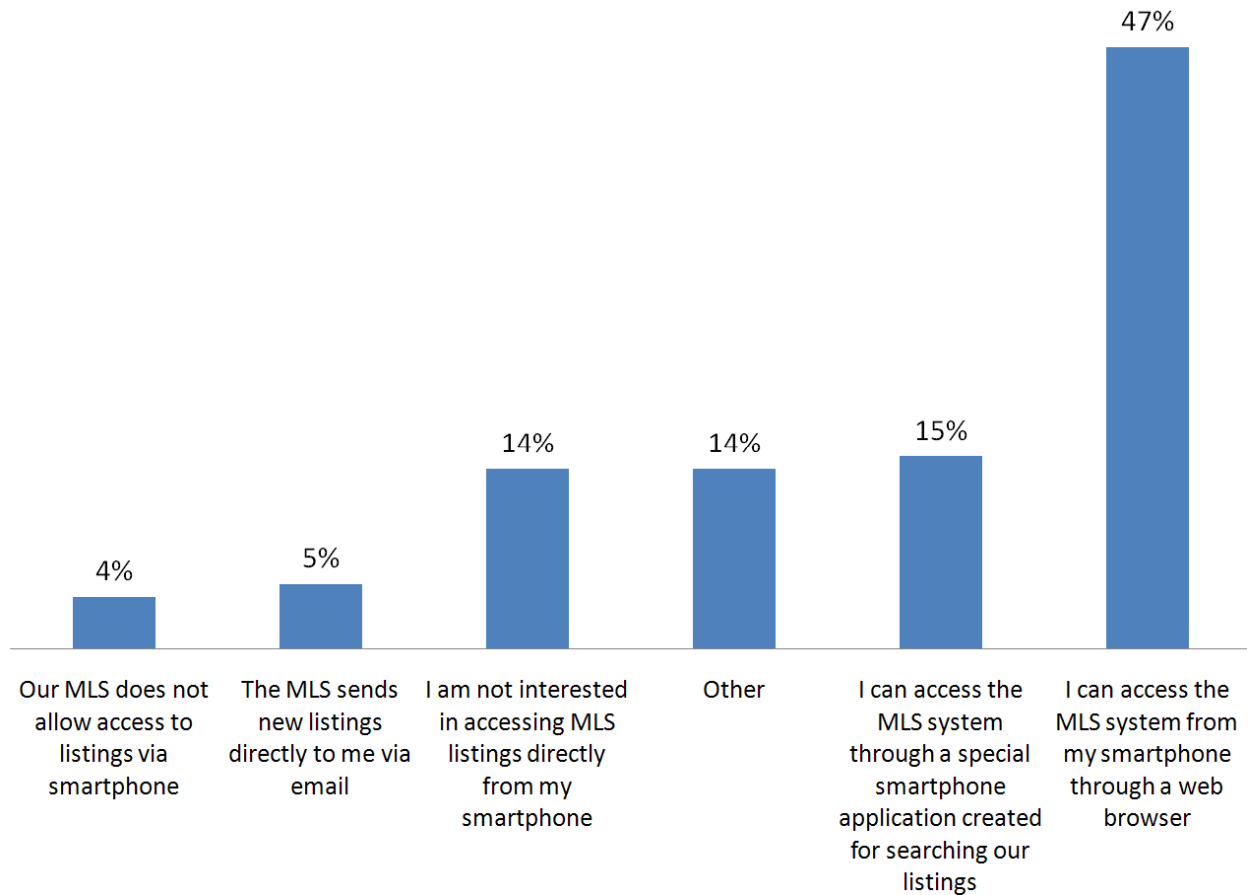
Preferred delivery method for smartphone training



A few commented that it would be ideal to provide online video demos on the most popular smartphones. Additionally, it would be useful to break the demos into categories such as: setting up your instant messenger, how to sync your smartphone with your desktop/network, downloading photos, optimizing the smartphone's web browser, using GPS or maps, and/or general time-saving tips & tricks.

Almost half (47%) of survey respondents can access their MLS listings via their smartphone's browser.

Current ways of accessing MLS listings via a smartphone



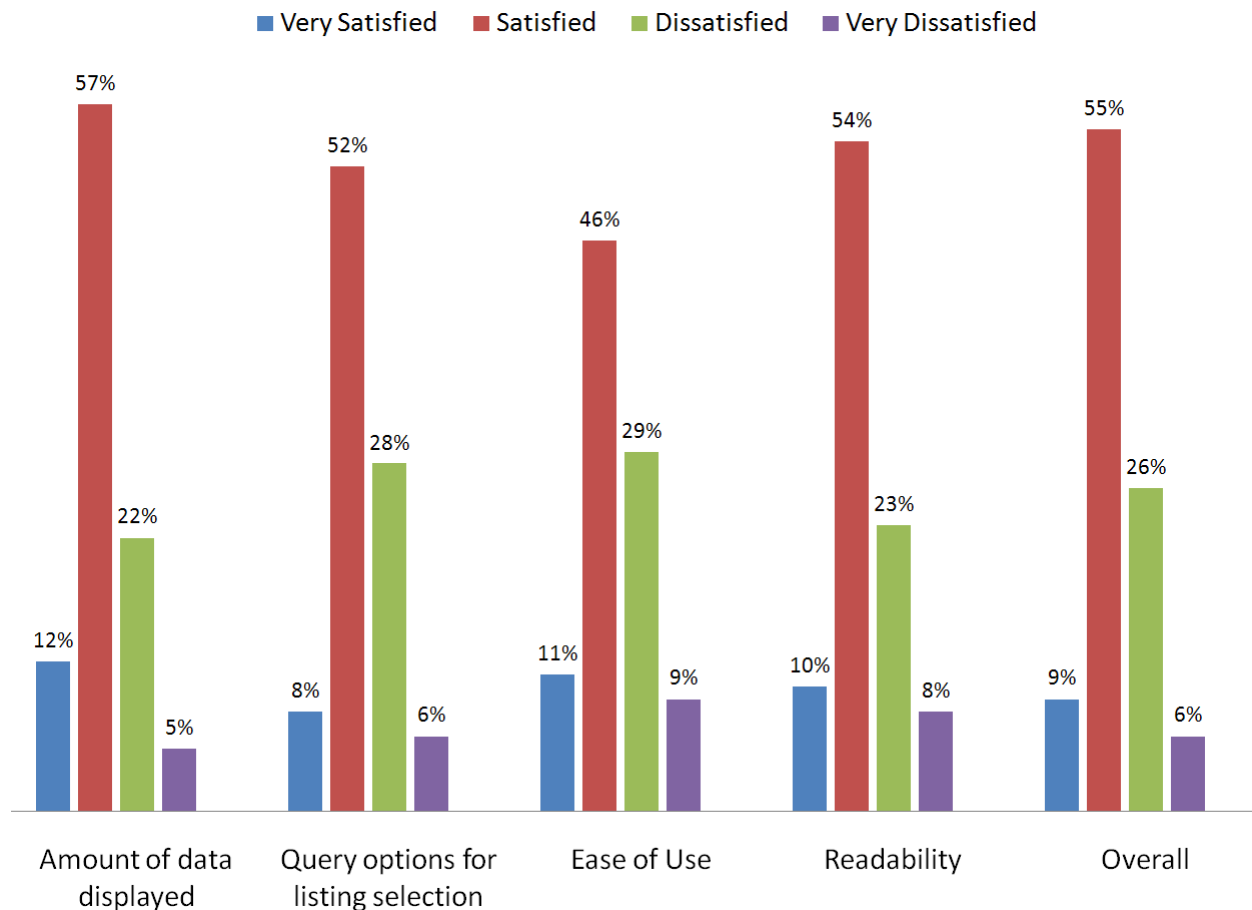
Fourteen percent (14%) selected 'other.' The following answers appeared more than four times:

- do not know if they have access to their MLS via the smartphone
- MLS does not support the smartphone's operating system (Safari, for example)
- not sure how to access MLS system via the smartphone.

Of the 4% that cannot access their MLS listing via their smartphone, 70% are very interested in having access to the MLS listings via their mobile device.

Those that have access to MLS listings via their smartphones were asked to rate their satisfaction with several MLS listing factors. In general, respondents are satisfied with their experience in accessing MLS listings via their smartphones.

Satisfaction with several MLS listing factors (as it pertains to smartphone delivery of listings)



Survey respondents have suggestion on making their experience even better: a ‘one touch button’ or a shortcut to their MLS; zoom features; drop-down box with choices for improved searches; faster upload speeds for pictures; at least one photo of property; ability to bring up a map to the property; and/or MLS apps for most popular operating systems.

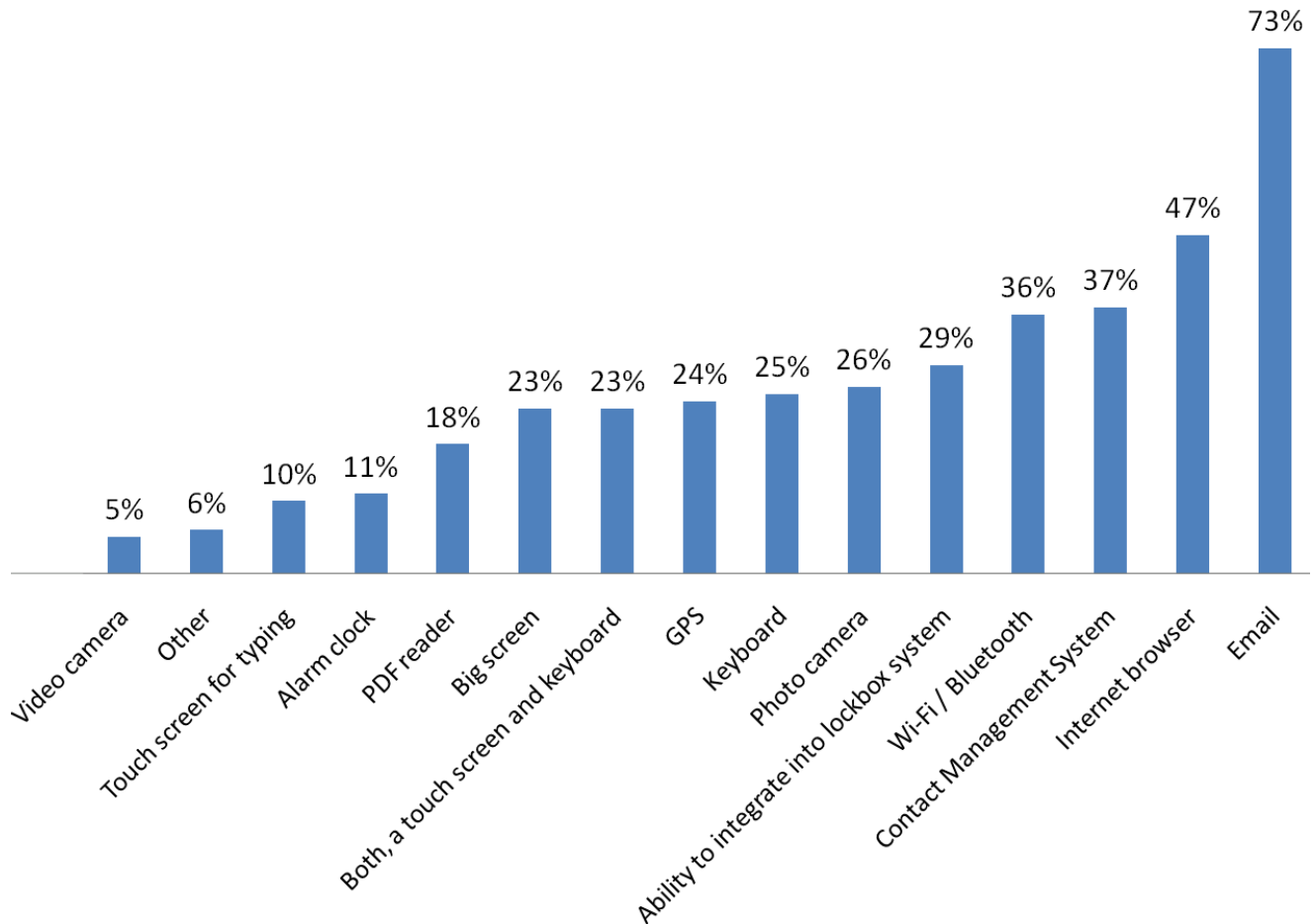
Accessing their MLS listings via a web browser is the preferred way to access listing information.

The 14% that are not interested in accessing MLS listings shared some of the reasons why they do not use their smartphone to access the MLS: “limited internet signals in my area”; “I carry a laptop”; “I do not want to subscribe to a bigger data plan”; “my phone’s screen size is too small for accessing the MLS”; and/or “This is too much trouble.”

Future

The 2008 CRT Smartphone survey asked participating REALTORS® what are the general “must haves” for their smartphone. Email (73%), web browser (47%), CMS (37%), Wi-Fi/Bluetooth (29%), and ability to integrate into lockbox system (26%) were selected as the top general “must haves.”

General smartphone “must haves”



Canalys Research estimates that rising consumer interest in having a rich, high-speed browsing experience on a mobile device, and the demand for visually sophisticated navigation will attract more companies that will improve the user interface. This will lead to more user friendly devices.

As far as real estate specific applications, survey respondents would like to see smartphone applications that:

- connect to their MLS via a shortcut or at a “click of a button”
- deliver better quality cameras
- provide user friendly maps or GPS programs
- include a real estate calculator (mileage tracker; financial; mortgage)
- integrate with lockbox systems

If the marketplace offers relevant smartphone apps to real estate professionals, survey respondents feel that they will have a more powerful, customized technology tool. Several respondents comment that a smartphone with real estate-related apps allows them to increase their productivity, and helps them stay connected to the office and to their prospects & existing clients.