

Digital Disruption Forces Residential Real Estate Firms to Refocus on Customer Relationships, J.D. Power Finds

Overall Satisfaction Rises but More Consumers Doing Own Legwork

COSTA MESA, Calif.: 1 Aug. 2018 — With more home buyers and sellers than ever using digital channels to find an agent, research inventory and, in many cases, bypass traditional agents, residential real estate firms have had to refocus their efforts on building strong customer relationships. According to the J.D. Power 2018 Home Buyer/Seller Satisfaction Study,SM released today, this ongoing digital disruption provides a challenge and an opportunity for traditional providers of real estate services.

The study, now in its 11th year, measures satisfaction with the nation's largest real estate companies among customers in three segments: first-time buyers; repeat buyers; and first-time sellers. Overall satisfaction is measured across four factors of the home-buying experience: agent/salesperson; real estate company office; closing process; and variety of additional services. In the home-selling experience, the same four factors are evaluated plus a fifth factor, real estate company marketing. Satisfaction is measured on a 1,000-point scale.

“Real estate firms are recognizing that their value proposition has shifted from that of information broker to trusted advisor; as a result, we’re seeing increases in customer satisfaction in each of the segments of home buyers and sellers,” said **Craig Martin, Senior Director of Financial Services at J.D. Power**. “The challenge for these companies is to consistently demonstrate and communicate the value to current and potential customers. Those who ensure trust and understanding are at the center of their client and customer strategies will truly differentiate from both traditional competition and those attempting to disrupt the industry.”

Following are some key findings of the 2018 study:

- **More experienced home buyers and sellers foregoing agents:** A significant majority (88%) of home buyers are beginning their search for a new home before selecting an agent. Also, 19% of repeat buyers, 14% of repeat sellers, 13% of first-time buyers and 9% of first-time sellers did not use an agent to buy/sell their home, a number that has grown steadily during the past two years.
- **Reputation matters:** A real estate firm's reputation is the No. 1 reason for selecting a company for both first-time sellers (44%) and first-time buyers (39%), outweighing personal recommendations and past experience with agents/salespeople. Among repeat sellers and repeat buyers, firm reputation is second (28% and 23%, respectively) behind experience with agents/salespeople as the main reason for selecting a firm.
- **Social media plays major role:** Nearly half (47%) of buyers and 55% of sellers indicate using social media to find agents, with the majority in each case saying they were “delighted” (overall satisfaction of 900 and higher) after doing so. Some buyers, mainly first-timers, are utilizing social media to find their new home, as well.

- **Strong customer satisfaction builds loyalty and advocacy:** Across all three customer segments, high levels of overall satisfaction with the firm is directly correlated with likelihood to use the firm again for a future transaction and recommend the firm to others. More than 50% of recommendations a customer makes result in new business for real estate companies.
- **Real estate agents play critical role of guiding customers through process:** Among both buyers and sellers, overall satisfaction scores are roughly 100 points higher when agents provide timely responses to questions; keep customers informed of key points in the transaction; and share comparable properties.

First-Time Home-Buyer Satisfaction Ranking

Century 21 (883) ranks highest for a fifth consecutive year and performs particularly well in all four factors in the segment. **RE/MAX** (871) ranks second.

Repeat Home-Buyer Satisfaction Ranking

Berkshire Hathaway HomeServices and **Coldwell Banker** rank highest in a tie with a score of 874. Berkshire Hathaway HomeServices performs particularly well in the agent/salesperson factor. Coldwell Banker performs particularly well in the closing process and variety of additional services factors. **Keller Williams** (870) ranks third.

First-Time Home-Seller Satisfaction Ranking

Century 21 (891) ranks highest for a fifth consecutive year and performs particularly well in all five factors in the segment.

The 2018 Home Buyer/Seller Satisfaction Study includes 4,072 evaluations from 3,332 customers who bought and/or sold a home between March 2017 and April 2018. The study was fielded from March through May 2018.

For more information about the 2018 Home Buyer/Seller Satisfaction Study, visit <http://www.jdpower.com/resource/us-home-buyerseller-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/2018127>.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. These capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability. Established in 1968, J.D. Power is headquartered in Costa Mesa, Calif., and has offices serving North/South America, Asia Pacific and Europe. J.D. Power is a portfolio company of XIO Group, a global alternative investments and private equity firm headquartered in London, and is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer.

Media Relations Contacts

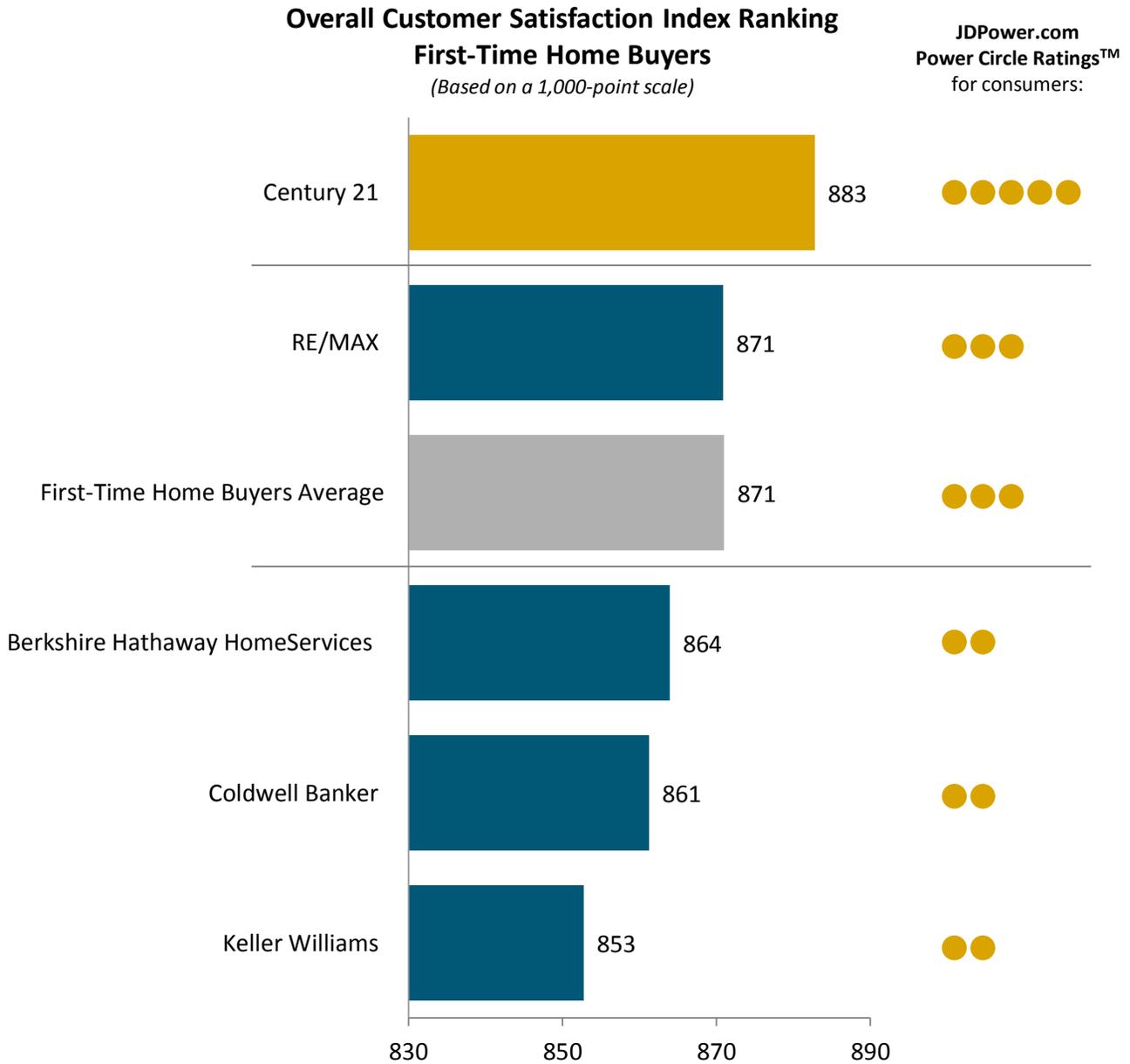
Geno Effler; Costa Mesa, Calif.; 714-621-6224; media.relations@jdpa.com
John Roderick; St. James, N.Y.; 631-584-2200; john@jroderick.com

About J.D. Power and Advertising/Promotional Rules www.jdpower.com/about-us/press-release-info

###

Note: Three charts follow.

J.D. Power 2018 Home Buyer/Seller Satisfaction StudySM



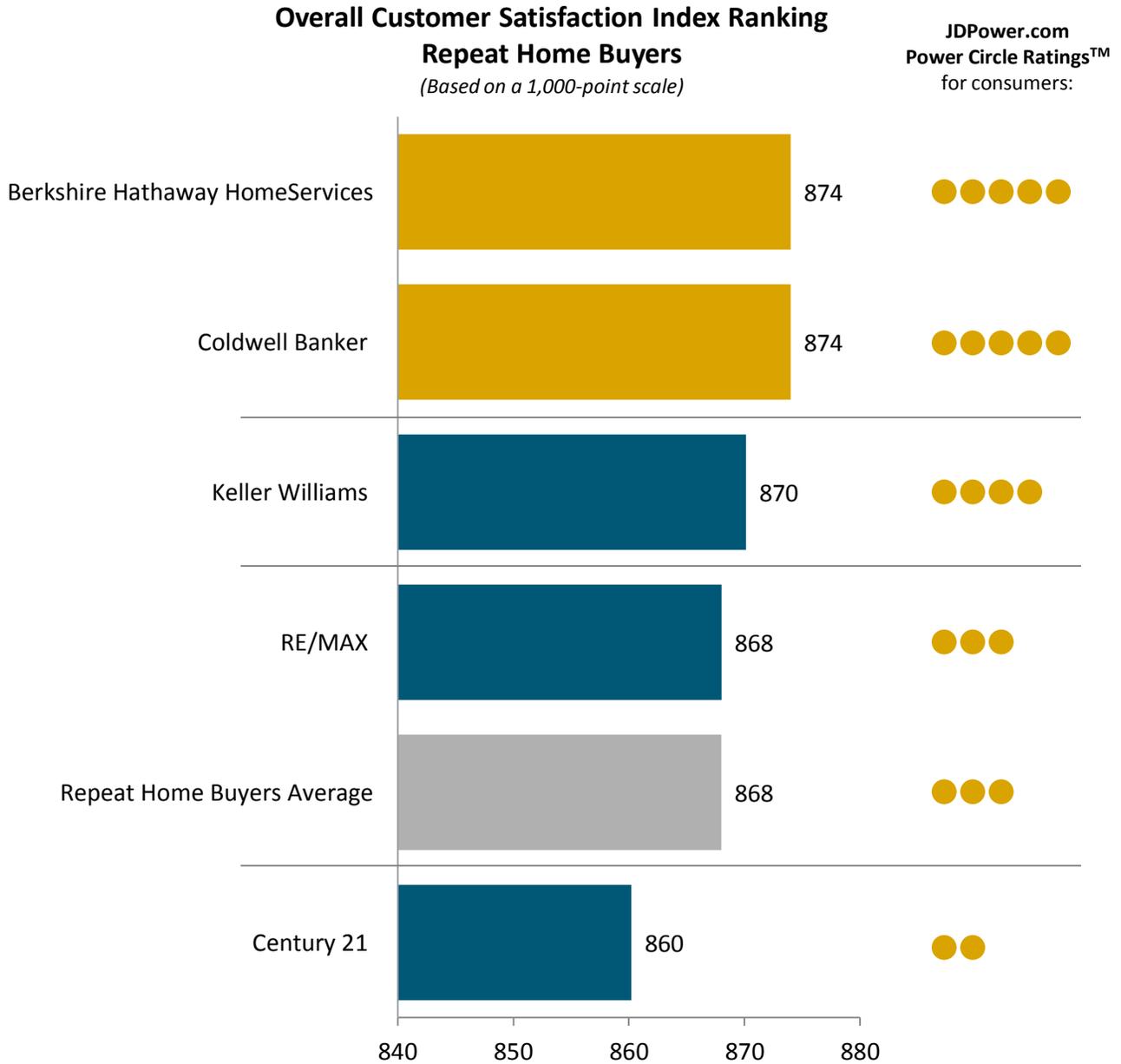
Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power 2018 Home Buyer/Seller Satisfaction StudySM

Charts and graphs extracted from this press release for use by the media must be accompanied by a statement identifying J.D. Power as the publisher and the study from which it originated as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power.

J.D. Power 2018 Home Buyer/Seller Satisfaction StudySM



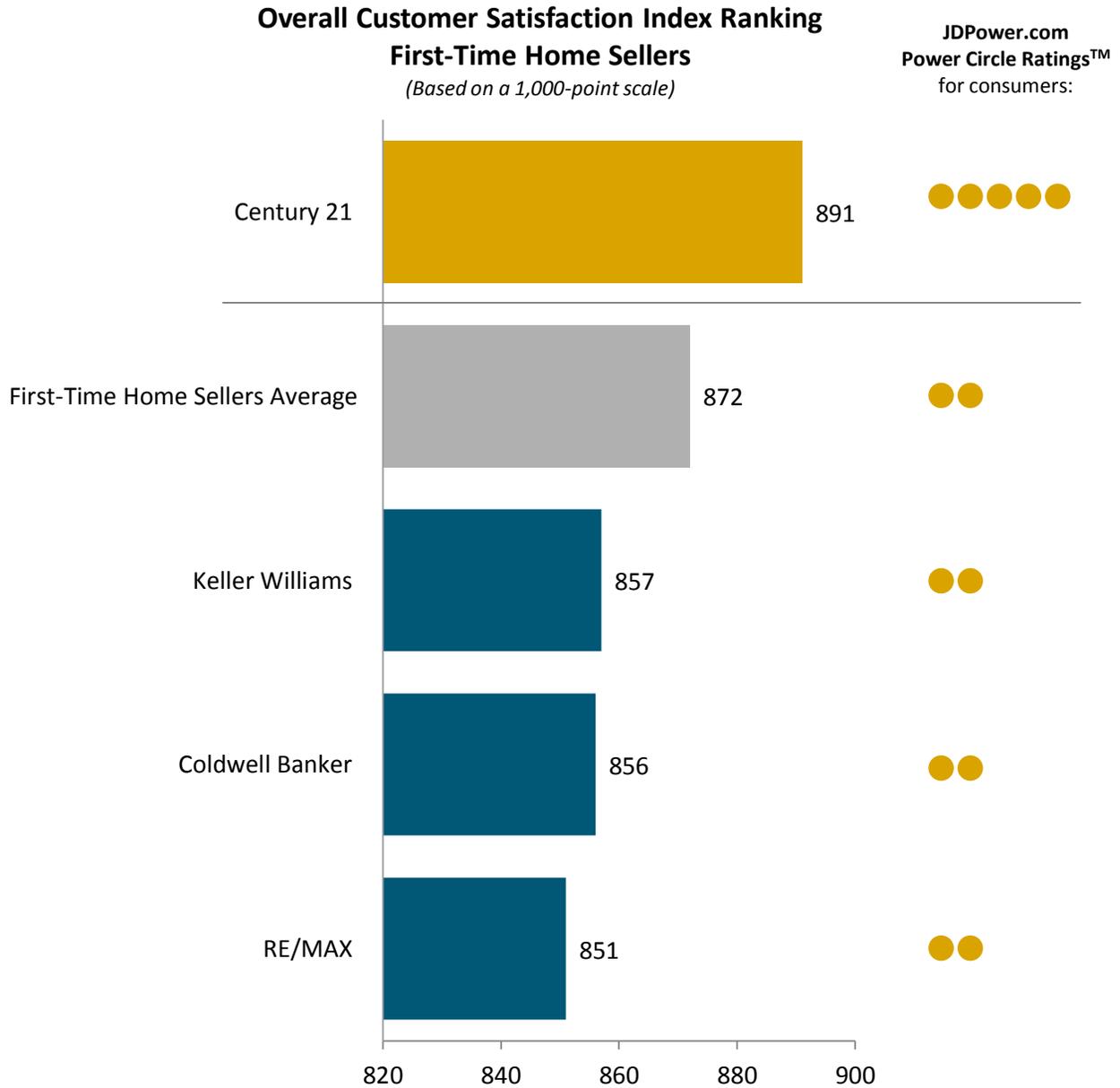
Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power 2018 Home Buyer/Seller Satisfaction StudySM

Charts and graphs extracted from this press release for use by the media must be accompanied by a statement identifying J.D. Power as the publisher and the study from which it originated as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power.

J.D. Power 2018 Home Buyer/Seller Satisfaction StudySM



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Note: Berkshire Hathaway HomeServices excluded from ranking due to small sample size.

Source: J.D. Power 2018 Home Buyer/Seller Satisfaction StudySM

Charts and graphs extracted from this press release for use by the media must be accompanied by a statement identifying J.D. Power as the publisher and the study from which it originated as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power.