



# New Home Self-Service Access and Lead Conversion

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## WHITE PAPER

Unassisted home access and lead capture technologies provide customer connectivity and restore vital in-community lead collection and conversion.

By Lynne Davis, CEO & Founder NterNow

With the COVID-19 epidemic and the advent of social distancing, new homebuyers have significantly changed their shopping behaviors, causing builders to drastically alter their traditional customer journey. “Out” are open sales centers and grand opening events, “In” are self-service, digital and automated sales assistance. How well this shift is embraced can make or break a builder’s year.

Unassisted home access and lead capture technologies provides customer connectivity and restores vital in-community lead collection. Today’s online home shoppers are more serious buyers than in pre-COVID times. With little to no sales center traffic, collecting “drive-buyers” through self-service access is a smart strategy for stabilizing the sales funnel and creating new, effective business-expanding opportunities for builders.

### **What is Unassisted, Self-Service Access?**

Access technology allowing the public to independently tour locked new homes and rentals have been deployed by builders and property managers for more than 10 years. Today, several companies now offer unassisted new home access.

The industry leader, NterNow, provides builders a patented lock which changes codes every minute and does not require Wi-Fi. “Why Wait? Tour Now” yard signs invite drive-buyers to tour on demand. After buyers’ identities are fully verified, they are given a code to unlock the door for their independent tour of the home. The customer’s information is texted to the selling agent in real time for follow-up. Companies like Opendoor and Offerpad have similar access services for vacant resale homes.

### **Why Use Unassisted, Self-Service Access Now?**

**In-Community Lead Capture Is Essential to the Health of Your Business:** Kevin Oakley with Do You Convert says that traffic for home builders is now nearly 15% above the previous all-time high set in mid-January. Sales and appointment growth has been trending upward for many since April 5. Many NterNow builders are seeing MORE showings with NterNow than Here are recent NterNow lead capture results from The Regency Home Team in West Tennessee:

| <b>Property</b> | <b>Week of April 20-26</b> | <b>Week of Apr 27-May 3</b> |
|-----------------|----------------------------|-----------------------------|
| WFW 14          | 6                          | 14                          |
| WFW 25          | 6                          | 19                          |

|                    |                         |                         |
|--------------------|-------------------------|-------------------------|
| WIF 02             | 10                      | 20                      |
| KSM 09             | 20                      | 17                      |
| KSM 17             | 23                      | 22                      |
| CHW 09             | 13                      | 11                      |
| SWC 37             | 8                       | 3                       |
| HIF 97             | 5                       | 3                       |
| CHP 156            | 6                       | 3                       |
| BLP 10             | 13                      | 7                       |
| <b>Total (Avg)</b> | <b>110 (11/lock/wk)</b> | <b>119 (12/lock/wk)</b> |

Previous to the corona virus, Regency had enjoyed 80-ish onsite registration cards from these properties each week. Delighted over the NterNow lead capture during Stay in Place orders, Sales Manager Doug Snead remarked, *“Check out how many visitors we had all last week with NterNow - incredible!”* Self-service INCREASES lead collection.

**Home Shoppers Demand Self-Service Home Shopping:** Amazon has emboldened buyers to make purchase decisions independently. Salesperson-avoidance is at an all-time high. The 2019 BDX Homebuyer Insights Study found that 50% of buyers disliked having to be accompanied by builder’s sales agents while touring new homes. The buying public wants independence and control. By providing it, builders gain trust with buyers at the onset of their customer journey.

**Buyer’s Agents Are Seldom Showing Property Now:** According to NterNow, one of the leading drive-buyer lead capture technologies available has data showing the shift. Pre-epidemic lead capture ratios: For every Realtor who visited an NterNow home with clients, 3-5 drive-buyers visited without a buyer’s agent accompanying them.

Since March 14<sup>th</sup>: NterNow has seen that ratio rise to 12.7 drive-buyers for every one Realtor showing an NterNow home to clients.

**The Power of the Resale Market is Diminished:** Residential Realtors are advised to only unlock front doors and no longer accompany their clients into occupied homes. Instead of calling their Realtors for these awkward “unlockings” or “no-showings”, buyers are independently shopping new construction. THIS IS AN IMPORTANT TIME FOR BUILDERS TO REGAIN MARKET SHARE FROM RESALE.

**Drive-buyers Have a Better Closing Rate than Internet Shoppers:** Drive-buyers have selected their favorite communities to drive through, ignoring others. According to the Zillow Home Buyer’s 2019 Research, 80% of homebuyers purchase in their geographically desired area. So, drive-buyers who have selected to visit your communities are valuable prospects. Pre-

epidemic data from NterNow communities shows that every 25 NterNow leads produced sales immediately and more over time.

Pre-coronavirus lead conversion rates through March 31<sup>st</sup>

From a California builder who started with NterNow in mid-November

| Month    | Breakdown | Conversion% |
|----------|-----------|-------------|
| November | 4/31      | 13%         |
| December | 3/40      | 8%          |
| January  | 10/113    | 9%          |
| February | 7/90      | 8%          |
| March    | 5/130     | 4%          |

One builder has used NterNow as part of their strategy to reduce their agent co-brokerage ratio to 20% of all closings from NterNow leads.

**Gather Prospects Early in Their Decision-Making:** BDX Homebuyer research indicates that **16% of internet shoppers start to drive by homes during their first week of home shopping on the internet.** Early contact allows builders to influence prospects' homebuyer journey. With almost 50% of these drive-buyers 6 months or more from signing a contract, early capture and a strong nurturing program can turn these longer-term leads into presales and/or unrepresented purchasers.

**Competitive Advantage and Future Sales:** Collecting your unfair share of leads in this uncertain time is paramount. Drive-buyers often visit several communities in their search. Often builders have just this one chance to capture this drive-buyer lead before they drive on to the competition down the street.

## How Desirable is Independent Access to Home Shoppers?

Real estate in general lags in offering a consumer-driven purchasing experience. Amazon has taught the world to shop anytime, anywhere and without the aid of salespeople. Builders are being challenged, especially now, to adapt to a world where the consumer wants to independently dream, select and buy.

Research from NterNow shows that over 91% of drive-buyers will provide verifiable identity information for the chance to tour locked spec homes on demand. When asked, to describe their experience with NterNow, prospects cited these benefits:

- On my timetable
- At my pace
- Independence
- Convenience

How important are these benefits to shoppers? Tim Costello of BDX calls these benefits “The Home Buyers’ Bill of Rights”. Imagine going clothes shopping and having to make an appointment to have the store unlocked for you. You enter and it’s just you and the salesperson inside. Your time is limited and you’re confident you know what you’d like to buy. All you need is confirmation, but instead you have to go at the salesperson’s pace around the whole store and out of politeness you have to say how much you like this or that. How would that feel?

- Awkward
- Inconvenient
- A frustrating time-waste
- Demeaning

So un-2020.

## Lessons from Another Industry: Self-Service Done Right

Once upon a time, the only car-buying journey started at the dealership or a used car lot. When the industry did not respond to customer needs, new concept businesses with customer-friendly journeys shattered the marketplace.

Today’s car buyers have several options for customer journeys. These range from going to the dealership/car lot to work with a salesperson and test drive a lot of cars. Another option is to go to CarMax to shop on an enormous car lot without being hassled by a salesperson. A third car buyer may enjoy ordering off the internet thru Carvana, forgoing the car lot/salesperson/test drive sequence entirely. Buyers prefer different customer journey options with differing levels of self and assisted service.

What do alternatives to the traditional home buying journey look like? Here are some ways to translate the self-service features of CarMax and Carvana into our homebuying processes:

| <b>Car-Buying Companies</b> | <b>Self-Service Offerings In Car Sales</b>                         | <b>What Self-Service Looks like in Homebuying</b>  | <b>Transformational Products to Help You Do This</b>  |
|-----------------------------|--|--|---|
| CarMax & Carvana            | Self-service shopping/touring                                      | Buyers can access locked spec homes for self-guided tours  | <ul style="list-style-type: none"> <li>➤ NterNow.com</li> <li>➤ Install smart locks and DIY</li> </ul>  |
| CarMax                      | Self-service and onsite support, plus Interactive online resources | Chat, Virtual Tours, Video, Interactive Options<br>Programs where buyers can choose their lots and their dream home features | <ul style="list-style-type: none"> <li>➤ Live Chat &amp; Chatbots like Atlas RTX</li> <li>➤ Virtual Tours and Site Shopping by Rendering House</li> </ul>     |
| Carvana                     | Self-Service Purchasing online (no salesperson, test drive, etc.)  | Buy-Now Buttons<br>Site-Selection Buttons on builder website   | <ul style="list-style-type: none"> <li>➤ Online contracts and signatures</li> <li>➤ Delivery with a 10 Day return guarantee (Due Diligence period)</li> </ul> |

There is a downside to offering only the must-meet-with-a-salesperson homebuying journey. When homebuyers react negatively to this journey, whether before COVID-19 or during, they turn to shopping for used homes where they encounter no sales interference since they have a buyer’s agent who acts as their advocate and buffer.

Now is the time for new home builders to recover market share from resale homes. Few buyer’s agents are showing occupied homes and there are not enough vacant properties to satisfy demand. Due to the overall lack of inventory, prices are rising, and buyers are considering all options including new homes.

Not sure you “buy” into offering self-service buyer journeys? Consider that in a study of recent car purchasers, a whopping 49% test drove ONE CAR OR ZERO before purchasing. That means almost half of car buyers are forgoing the traditional journey. They are shifting from shoppers to purchasers, deciding what they are buying BEFORE interacting with a salesperson/order taker/shopping cart.

Surely this “drive” for self-determination is happening in homebuying, too.

**When Do Drive-Buyers Shop?**

**Comparison Pre-Coronavirus & After March 14<sup>th</sup>, 2020**

Before the epidemic, the five weekdays were fairly uniform in drive-by lead collection. On weekends, visitors and agents drove through communities twice as often on weekend days as on weekdays. NterNow data showed:

| Mon | Tues | Wed | Thurs | Fri | Sat | Sun |
|-----|------|-----|-------|-----|-----|-----|
|-----|------|-----|-------|-----|-----|-----|

10.23% 10.15% 10.10% 10.13% 11.92% 26.60% 22.87%

Since March 14th, drive-buyers' travels have changed, with an additional 8% shopping on weekends and fewer drive-bys on Monday and Tuesday.

| Mon | Tues | Wed | Thurs | Fri | Sat | Sun |
|-----|------|-----|-------|-----|-----|-----|
|-----|------|-----|-------|-----|-----|-----|

6.57% 6.94% 9.64% 9.02% 10.76% 30.51% 26.56%

## How Secure is Self-Service Access?

It all depends on the service utilized and how much your company tries to do themselves.

### ***Q: Who is verifying the visitors?***

Builder managed systems have agents verify customers before giving them a code, putting agents in a difficult position. What if the home is damaged? What if they can't verify the person?

### ***Q: Does the lock relock by itself?***

Most services have systems that have auto relock. Some systems have to be relocked by the builder's agents via a phone app.

### ***Q: What's the Access Service's record of loss?***

It's important to use a service with a long and strong track record. Your homes are valuable assets! Ask what their loss record is and if they have both liability and cyber insurance. NterNow has been in business for almost 12 years serving builders and banks with secure home access and carries both types of insurance. Regarding its track record, NterNow has provided access more than 130,000 times and reports only one incident of loss – a kitchen and a bathroom faucet. Be sure to ask for references from other builders who have used the access service over the long-term.

### ***Q: Are you using a professional verification service?***

These are not easy to implement since CPPA/PII rules must be followed. Collecting the wrong information in your CRM could lead to federal and/or state fines.

### ***Q: Is the visitor receiving a unique unlocking code?***

Does the system provide a new code automatically or does your agent have to change the code in the lock each time to keep the home secure? What if they forget or get busy?

***Q: Are you giving a code to be used within a time window?***

Can the code be handed off to a different person during that time? That's not secure.

***Q: What about a service that dispenses a key?***

That's so 1900's – just leave the door open.

***Q: Is your system Wi-Fi dependent, and does it work with Alexa or other smart device systems?***

Hackers are having a blast with home automation systems – non-Wi-Fi systems are more secure and lots less expensive.

***Q: Are you providing access 24/7?***

For liability reasons, limit your hours to daylight only. Very few legitimate buyers drive-by after dark. Also covering access calls 7 a.m. to 9 p.m. during the summer can be stressful, but by responding promptly, builders avoid disappointing shoppers.

***Q: Can you tell if the visitor has left the house? Closed the door?***

None of the access services can tell you that unless you have special technology or a monitoring camera. The likelihood of them “moving in” is very low if the service has a stringent verification process.

***Q: What if someone is in the home touring and someone else gets a code to enter?***

Handle it just the way Realtors handle double showings – the first party tells the second to wait outside until they leave. Be sure to tape these instructions on the door to avoid this from happening. This helps shoppers keep their distance.

***Q: How can I make visitors feel safe touring homes during COVID? How can I be covered?***

Several ways! Offer gloves and sanitizer inside the home or advise BYOGs (Bring Your Own Gloves) in your consumer advertising. Post signs that instruct visitors on what safety precautions you would like them to take and state your limited liability (tour at your own risk). Post the latest date the home was sanitized to reassure visitors.

## Conclusion

Disruptive times call for reinventing how to do business. Matt Riley of Group 2 said in a recent podcast:

*“This is a new era of selling. Covid-19 was the catalyst... fundamentally changing forever the way that we are going to market and selling to consumers in homebuilding.”*

Unattended, self-service access is a time-tested, consumer-friendly technology that can help builders weather this crisis by continuing in-community lead capture. Even after the crisis abates, unassisted home access will be an important business building strategy for years to come.

### *About the Author*

*Lynne Davis has always envisioned herself as an entrepreneur. After receiving her undergraduate degree, she took MBA courses at Syracuse University in Entrepreneurial Sciences, wrote exploratory business plans for close to a dozen products/services, and walked on the cutting edge of process improvement and creativity in the corporate world. As a Realtor, Lynne envisioned a better way to capture buyers for her new construction listings — and created NterNow (formerly Call-A-Key) to satisfy the consumer's need for self-service home touring.*

*As the patent holder for non-wireless secure real estate access, Lynne has grown NterNow to serve of national and local new home builders in 36 states. For her inventiveness, Lynne was nominated as one of the Top 15 Innovative Agents in the US by RIS Media in 2017. NterNow was honored with the National Association of Home Builders S.A.F.E. Innovation of the Year Award in 2017 for helping to make onsite agents' work lives safer and received Greater Atlanta Home Builder's Gold OBIE award for Best Interactive Tool in 2016. Lynne is a member of the Advanced Technology Development Center of Georgia Tech, ACE Women's Business Center and Atlanta Women in Technology.*

*Prior to her real estate career, Lynne spent 17 years in cable TV with Home Box Office (HBO), The Disney Channel, Cox Enterprises and NewChannels Corp. in regional marketing and sales training positions.*