

What is Syndication and Why is it Important to Agents, Brokers, Buyers and Sellers?

By:

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When I was actively involved in real estate brokerage in the 1970s and 1980s, Syndication was the term used to describe group investing. Pooling investor funds together in groups and acquiring real property. The most common form of real estate syndication was the limited partnership, public and private placements.

Today, the word Syndication is used in the real estate industry to express the distribution of listing information to various web sites and/or web portals.

This use of the term is similar to the publishing meaning of the word syndication. A good writer's work is often "syndicated" to various newspapers and publications. The result of the syndication is greater visibility for the writer's work. The same information published in different publications and venues resulting in wider exposure.

Now let's consider listing content. While it was once thought that exposing a listing in one spot on the Internet and driving consumers to that spot (the early theory for REALTOR.com) was the best way to market a listing on the Internet, in today's Internet environment, this no longer makes any sense. Why? Because a real estate listing is a marketing asset owned by the listing broker, and, in addition to the direct economic benefit of having a listing (the opportunity to earn a commission on the sale of the listed property), a listing widely marketed, for sale signs, advertisements in newspapers and magazines, and exposure on many web sites, provides the listing broker with other less tangible benefits including increased brand awareness and the ability to attract new buyers and sellers. All your listings on one web site only will result in the loss of some of the benefits that can be derived from taking the listing. On the Internet today, Distribution Trumps Destination as content moves to where users go, and users go to many different sites on the Internet...Yahoo!, Google, Craigslist and many others.

Once again, the incentive for brokers to acquire, produce and distribute rich listing data to ensure consumers have access to listings goes beyond the benefit of commission dollars earned when a listing sells. Remember, a listing is a marketing asset. It is important to note that not all listings sell and consequently, commission dollars are not earned on every listing, but, costs are incurred for every listing, both direct and indirect costs. Part of the value proposition in the taking of a listing and the advertising and marketing of a listing is the marketing and brand benefit the brokerage derives. Multiple Sites results in Maximum Exposure.

Having to enter listing data at multiple Internet locations is time consuming, and companies today are providing a "Single Point of Entry" and then distributing the content to various web sites for brokers. The leading syndication company in the real estate

industry today is Point 2 Technologies (<http://Point2Agent.com>), currently syndicating to nearly 40 syndication partners.

The various websites to which Point 2 customers can syndicate their listings not only gives the broker (and agents) greater branding and exposure, but it also generates leads. These leads are then seamlessly passed back to the members. Point2 never charges agents for the leads generated from their listings.

Additionally, when a listing broker advertises their listing or listings on syndication partner websites, Point2 tracks the listing exposure and provides activity reports back to the listing broker. As a result, the listing broker can see which syndication partners provide advertising and marketing value to the listing broker. The listing broker can use this information in a variety of ways, including providing feedback to sellers as to the traffic the listing generated. Some syndication partners offer added advertising opportunities and brokers can make more informed decision about where they should advertise their listings, should additional advertising be desired by the broker.

As you know, Point 2 is now working with your MLS to enable syndication for your listings. We are proud to be associated with you and look to providing you with the industry's best syndication solution for your business. For more information, please contact RealTracs directly or email agent@point2.com.

Saul Klein is a REALTOR® and nationally recognized speaker and consultant who, over the last 16 years, has spent more than 15,000 hours in front of real estate professionals, consumers, association staffs and volunteers. Over the past 15 years he has traveled over 1,500,000 miles delivering a message on technology and its role in the future of the real estate industry. Saul was selected by the National Association Of REALTORS® as one of the "25 Most Influential People in the Real Estate Industry" in 2003 and one of the "100 Most Influential Real Estate People" by Inman News in 2005, 2006, 2007 and 2008. He has also been selected to the Top 10 Newsmakers of the Year 2008 list, as part of the annual Swanepoel Trends Report. Saul is CEO of InternetCrusade as well as Point2 Technologies.