



MLSs Need To Focus on the Customer Record

WAV GROUP

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MLSs Need To Focus on the Customer Record.....	3
Time to Focus on The Customer Record	4
Why You Should Care	5
Beyond listings, we need standards for the user and customer record.....	6
What You Should Do About It	7
Conclusion	8
About WAV Group	8

MLSs Need To Focus on the Customer Record

The Real Estate Standards Organization (RESO) is clearly picking up steam at driving standards across the real estate industry. A pivotal inflection point in the success of standards is the adoption of those standards by MLS service providers and their vendors. One of the vendors who is particularly aggressive at adopting those standards is FBS, developers of FlexMLS and Spark. You can translate “particularly aggressive at adopting standards” to leadership in real estate technology. I will be using FlexMLS to demonstrate my point thought out this article, but to be clear – many MLS Vendors and MLS service providers are on the same track.

CoreLogic, Black Knight Financial, and others are developing along the same roadmap as FlexMLS, but a bit less successfully. The issue is not with the vendors. The problem is that most MLSs are not onboard in supporting, much less requiring the vendor to be RESO compliant. ***An exception to this is MRIS, the first MLS in the nation to become RESO 1.8 compliant.*** For some reason, FlexMLS is able to get their customers to agree that data standards like the Data Dictionary are in the best interest of the industry more so than many of the other MLS vendors. It is not that other MLS vendors are not as interested in data standards, rather that their customers are impeding adoption and limiting CoreLogic, Black Knight and others from reaching loftier adoption of the standards. WAV Group works with all of these companies, and they are all great – this is not an endorsement of any solution of any kind. However, to articulate my point – I needed to pick one, so I chose FlexMLS.

I understand the rationale for the problem of failing to adopt RESO standards. Real estate is local, and in truth, every argument from every MLS CEO, about why something like the data dictionary is not adopted in their market, seems very reasonable. *But the big picture is being missed in the argument.* It will take leadership and sacrifice to move the industry to a better place. As Art Carter stated so eloquently during the process of creating a data schema for CARETS in Los Angeles, *we needed to sacrifice a lot of gerbils* (not an exact

MLSs Need To Focus on the Customer Record

quote). Carter's point was that many of the local requirements for special fields and weird rules are rodents rather than requirements.

Time to Focus on The Customer Record

All of these deliberations hold true for the data dictionary and property records. But none of this holds true for the customer record. Interoperability of the customer record across all applications used by brokers and agents is as fundamental as interoperability of the property record.

I spent some time looking at the FlexMLS mobile app. Admittedly, there are some shortcomings in functionality (like full listing maintenance, hot sheet, etc), but all of those things are on their release roadmap. What I took away from the discussion was less about the app, and more about the data structure for managing the *customer record that is interoperable across the MLS system, the Mobile Web access, and the Mobile App*. They all follow the thesis of the Spark API platform – their standard for allowing the free-flow of information across technology applications. The data layer uses the same foundation and everything sits on top of the data as an application. Communication between the data and the application are all done via RESTful API (Representational State Transfer (REST)). **Data is not being transmitted via RETS and stored across multiple silos of applications, rather it is shared.** In the case of Flex, their RESTful API relies on JSON (JavaScript Object Notation) and probably some XML transfer. The point here is that everything is a two-way street. Any change made in the MLS or on MLS web, or in the MLS app is reflected everywhere.

The adoption data dictionary and leadership around standardization of the customer record allows Spark and the MLS ancillary applications like FlexMobile to manage listings and consumer interactions the same across every application. Everything uses the same data field names and rules.

"The Spark API, modeled from the RESO data dictionary, is foundation that all FBS products (flexmls web, and mobile) and 3rd Party developers can leverage and write code upon, one time, which plugs-and-plays into all FBS customers. This standardized data structure reduces disparate data

MLSs Need To Focus on the Customer Record

structures making it easier for FBS to build new features faster while enabling third-party developer innovation and integration (with MLS permission), delivering a more seamless experience between multiple interfaces.

Why You Should Care

If your role is an MLS or a real estate broker, you should care a lot about this. There are two related issues plaguing our industry that would be resolved if everyone followed the lead of the MLS vendors seeking to deploy RESO standards and move beyond RETS (one way) to RESTful APIs (Two Way). Data mapping is painful, expensive, and is typically the top reason why technology breaks in real estate today.

For example, there are MLS conversions happening everywhere. Aside from the dozen or so conversions that have MLSs switching vendors, you have additional conversions as a result of MLS mergers (and, less often dissolved regional MLS). In truth, vendors have gotten pretty good at moving listing data and mapping it over, although it is sometimes easier to re-key the data if the MLS is super small. This would be an immaterial process if all MLSs were on the same standard and adopted the same data dictionary.

Unfortunately, in system conversions, the customer record along with saved searches, favorites, communications are usually lost altogether.

Beyond listings, we need standards for the user and customer record.

Customer Record: This is one of the heartfelt issues that have the biggest impact on the productivity of agents and brokers. More often than not, any customer's saved search or favorite listings in one MLS system can rarely be ported effectively over to another MLS system, much less to a broker or agent technology solution. They try, but they usually fail. The MLS sends plenty of warning about reentering your saved searches and client records into the new system, but many agents don't seem to get around to it. In truth, with today's technology – agents should never need to re-key the data or manually maintain it That is where RESO is providing some leadership, but there is a long way to go.

Customer records are needed in many places. They are needed in the broker's back office accounting solution, transaction solutions, mobile solutions, consumer web solutions, MLS solutions, CRM solutions, etc. Today, customer records are mostly duplicated, re-entered, and living in different databases because they rely on RETS. FlexMLS deploys an API solution that allows the customer record, saved searches, and favorite listings to live in all of those places in synchronized harmony. To be clear – *RETS does not need to go away, but needs to be augmented by RESTful APIs.*

A consumer can register to a broker website. That customer record can be updated via the RESTful API in FlexMLS. The agent can configure or modify a search for that customer in the MLS and those changes flow back to the broker website, and every application that touches the customer shares that record.

Use Case: The agent takes the client to see a home and during the showing learns that they plan to extend their price range. The agent opens the MLS mobile app and modifies the customer's saved search to reflect the higher price. That change is also reflected everywhere. The agent builds a new neighborhood search on the MLS mobile app and that new search is reflected everywhere. The MLS system is

MLSs Need To Focus on the Customer Record

automatically updated and the consumer gets the updated listing alerts.

What You Should Do About It

MLSs should convene a council of brokers to discuss business rules around the customer record. I say brokers because it is their data and they are the fiduciaries, not the agents' (Call your lawyer if you disagree). Begin by having a discussion about listing transfer practices in your market area. When an agent switches brokerages, how do you handle listing transfer? The model for managing listing transfer is not far off from the discussion about customer records.

Here are some questions to get the conversation started.

1. When an agent dies or leaves the business, what happens to the customer record?
2. When an agent switches brokerages, does the customer record and customer history transfer with the agent or remain in the custody of the broker unless the broker authorizes transfer?
3. Do brokers have the right (ability) to access the customer record of their agents today? If so, are you going to make that service available through a RESTful API? Can they access the agent account and view or edit customer records?
4. Do MLSs have a broker authorization form for transfer of customer records to third party applications or for transfer to another broker? Does the consumer need to authorize the transfer?

When you are done – share your workgroup's findings with RESO. They need your input to develop a universal standard and the rules.

RESO JUST RELEASED THE RETS RESTful API SPECIFICATION 1.0 FOR REVIEW. [RETS WEB API OPEN FOR COMMENT](http://www.reso.org/rets-web-api-open-for-comment)
<http://www.reso.org/rets-web-api-version-1-0>

Conclusion

Technology is moving faster than most MLSs and Brokers. It is hard to keep up. There are more solutions to problems available today than many even understand, much less insist upon. All data needs to be accessed, shared and managed based upon roles and permissions, including the customer record. Proprietary data schemas need to be replaced by RESO data standards and every MLS should be compliant with the RESO data dictionary today (only a few dozen of the nearly 900 MLSs are RESO compliant!). Brokers and MLSs who leverage APIs in the best possible way will extend the capabilities of agents and serve consumers much better than the walled gardens of software in place though out the industry today.

About WAV Group

WAV Group is the leader in providing research and thought leadership to the MLS industry seeking to create a wave of positive change with every subject that it tackles. The firm is comprised of corporate executives with a depth of expertise in the real estate industry proven to catalyze new approaches leading to more customer-centricity and business success.

For more information or to register to receive report releases and newsletters please contact Victor Lund at 805-473-9119 or Victor@WAVgroup.com

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