



# REAL ESTATE BROKER'S INSIDER

Management and sales tools for the residential real estate broker

## **Business Strategies**

### **Service-minded brokers use very public quality ratings to motivate agents**

If an angry client lambasted one of your agents in a scathing critique, would you post the comment on your website?

For most brokers, the answer is a resounding no. But a growing number of brokers not only court that sort of commentary, they're also making the criticism publicly available.

For years, real estate brokers have searched for a way to measure and standardize the level of service offered by agents in a fragmented industry where levels of service are notoriously inconsistent. Now comes Quality Service Certification Inc. (QSC), a San Juan Capistrano, CA-based company that has created a method of painstakingly collecting client feedback and compiling it.

Once a year, QSC ranks the top 10 companies and the top 10 offices in the country.

The accolades from happy customers give brokers something to crow about and agents fodder for listing presentations.

And what about the unhappy customers? Brokers aren't putting out any press releases about them, but some do post clients' verbatim responses to QSC's questionnaires

— even the ones that complain about an agent's "piss-poor service" or "abrasive" manner. Both are direct quotes from customer comments posted on QSC's site at [www.qualityservice.org](http://www.qualityservice.org).

Brokers who choose to participate in QSC's program agree to pay fees to the company and to ask agents to complete QSC's certification training.

As part of the process, agents give sellers and buyers a Quality Service Guarantee, a document that outlines the services the agent will provide. And after closing, QSC mails detailed questionnaires to clients.

Among the questions on the QSC questionnaire:

- Did your sales associate contact you after the closing?
- How satisfied were you with the counseling and needs assessment provided by your sales associate?
- How satisfied were you with the availability of your sales associate?
- How satisfied were you with your sales associate's knowledge of the area, community, and properties?
- How satisfied were you with the assistance your sales associate

provided in negotiating the price and terms of the purchase?

- How satisfied were you with the quality and frequency of communication provided by your sales associate?

Clients can choose one of five responses: very satisfied, satisfied, neutral, dissatisfied, or very dissatisfied.

The results are broken down in detailed pie charts.

Here's a look at how four brokers whose agents receive high rankings from QSC are using the program to measure customer satisfaction.

#### **Prudential New Jersey: Investing in QSC**

Bill Keleher, head of Prudential New Jersey, is pleased that the company's New Providence office made QSC's list of top 10 offices in the nation. But he's a little disappointed that the entire 24-office, 760-agent company didn't crack the top 10.

Keleher long has strived to make customer service the differentiating factor for his company as it competes against larger rivals.

"We've known we were never going to be the biggest, but we felt we could be the best," he says.

Keleher has seen his company's grade rise steadily since he joined QSC several years ago. Prudential New Jersey's customer satisfaction

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has climbed from 4.50 to 4.75, out of a possible 5.

Keleher acknowledges that he hasn't cracked the calculus behind the scores.

"All it takes is one low rating from a consumer somewhere to knock it down," he says. "We've spent a lot of time reviewing our results."

In a tough market, he says, "It became increasingly more challenging to be highly rated by each consumer."

After all, if the seller thinks his house should sell in three months, but it's on the market for eight months, that doesn't bode well for the satisfaction rating. The QSC questionnaire asks specific questions about sellers' satisfaction with time on market and sale price.

In this sort of a buyer's market, it's up to the agent to rein in the seller's expectations.

"You have to do a heck of a job communicating with them," Keleher says.

Keleher stresses the importance of the QSC ratings by honoring agents and offices that do well. By the same token, Prudential New Jersey has been trying to make amends with unhappy clients.

"If we get a less-than-stellar rating, we would reach out to that client," he says. "Out of respect for our agents, we want to make sure the agents are involved in the process."

Like many brokers who participate in the QSC program, Keleher says the independence of QSC's rankings add credibility.

"This is a third-party process that we have no control over," he says.

Prudential New Jersey spends about \$30,000 a year on the QSC program. That includes the initial \$60 certification cost for agents (they pay the \$50 annual renewal), plus the cost of sending out thousands of surveys.

"It tells the agents that we're serious about it," Keleher says. "It's not just something to make everybody feel good."

Since Prudential New Jersey started the program, it has added customer service training to its overall training program.

The cost is well worth it, Keleher says. Since paying more attention to customer service, Prudential New Jersey has enjoyed more referrals and fewer complaints. Its errors and omissions insurance premium even went down.

"We've become so much more tuned in and responsive to our customers," he says.

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### **Tomie Raines: Transparency matters**

Tomie Raines Inc. GMAC Real Estate has been part of the QSC program for seven years, and broker Debbie Barnett says QSC's guidelines fit her two-word philosophy: "Transparency and accessibility."

Just how transparent? Tomie Raines posts QSC reports on its agents on its website. You'd think there'd be nothing to worry about for Tomie Raines. QSC ranked the company, which has 89 agents and is based in East Lansing, MI, as one of the top 10 firms in the nation.

Even so, negative comments make their way onto agents' ratings.

Like other brokers who participate in QSC, Barnett likes the program for its ability to reflect the good, the bad, and the ugly of a company's agents and their customer service.

The survey results offer a variety of details about the way an agent's clients feel about her.

In the case of Tomie Raines agent Kathy Birchen, for example, most of the comments are glowing. Responses to the questions indicate that more than 90 percent of her clients are "very satisfied" or "satisfied."

But proving that Tomie Raines has no control over the results, a couple of past clients call themselves "dissatisfied" or "very dissatisfied." There's also proof that the comments aren't edited.

"Kathy was great! I would not hesitate to recommend her," reads one. "Errors by other (Tomie Raines) staff, most notably in advertising copy, were infuriating, however. It took way too long for those to be resolved."

"Ms. Birchen was abrasive & difficult to get along with," another comment reads.

Barnett says that sort of kimono-lifting will become more common in the real estate industry.

"In a service industry, being able to rate your agents is going to happen," Barnett says. "Why not take the lead?"

Barnett is confident that the QSC results help keep Tomie Raines ahead of its competition.

"This keeps the focus of our agents on making sure they're doing the right things in the right way, and we train to that," she says. "It's what anybody should be doing anyway."

And in spite of Tomie Raines' glowing results, the comments serve as a reminder that there's always room for improvement.

"It really is helpful on a management basis to monitor where you need to improve," she says.

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## **Kathy Rebhan: Proving the promise**

Kathy Rebhan, head of the 100-agent Weichert Realtors Rebhan & Associates in Charlotte, NC, is jaded about brokers who promise topnotch customer service.

“Let’s face it — that’s everybody’s slogan. This proves it,” she says.

In Rebhan’s first year in the QSC program, she landed in the top 10 companies nationally. She gives her agents credit for the results.

“We have a different type of agent,” Rebhan says. “We’re not just real estate agents; we’re professionals in the field.”

While many brokers encourage agents to earn their QSC designation by taking a short online class, Rebhan took a different approach. She thought it was worthwhile to pay a QSC trainer to come to her office and conduct the coursework in person.

“I just know I get more out of a class if I have the personal contact,” she says. “You’ve provided a much higher level of competency and understanding of what the QSC program is all about.”

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## **Helen Adams Realty: Motivating agents**

“I don’t want to sound like an advertisement, but our mission has always been to provide the highest level of customer service,” says

Holly Pettus, marketing director at Helen Adams Realty in Charlotte. “We really emphasize service above all else.”

Everyone says that, of course, but Helen Adams Realty was ranked in QSC’s top 10 companies in the nation.

The public nature of the QSC rankings proves a strong motivator for agents, Pettus says. “Having things publicly posted is the No. 1 factor that motivates agents,” she says.

Helen Adams Realty promotes its agents’ QSC rankings in a number of ways, from posting the results in its offices to sending top agents’ names to newspapers. It also recognizes top-performing agents at the company’s annual awards dinner. And letters from clients are framed and posted in the offices.

“It’s a great monitor for the brokers at each office to see how the agents are performing,” Pettus says. “And it’s a great learning tool for the agents.”

Pettus notes that service is a focus from the beginning of the transaction.

Agents are trained to explain the QSC program to potential clients. Then they outline the services they’ll provide.

“From the very beginning of the process, the clients have an expectation of the services they are going to receive,” Pettus says.

That’s a welcome change from the less-than-clear communication that’s all-too-common in the industry.

“It provides consistency,” Pettus says. “All our agents are providing that same high level of service, whether it’s a \$25,000 condo or a \$2.5 million mansion.”

After the transaction, Helen Adams Realty takes steps to make sure clients register their pleasure or displeasure. To boost client response to QSC’s questionnaires, Helen Adams Realty sends a post-closing letter to every client.

The letter lets clients know that a survey is coming and asks them to fill it out. That step makes it more likely that clients will complete the surveys rather than tossing them in the trash, Pettus says.

And in spite of the risk of having complaints from unhappy clients made public, Helen Adams’ agents like the QSC program.

“Our agents have truly embraced this tool,” Pettus says. “They’re very proud of our ranking, and they love being able to promote that.”

And with full-service companies constantly fighting a battle to separate themselves from brokers that charge less, the QSC ratings provide a specific way for Helen Adams Realty to set itself apart.

“It’s very important that you distinguish yourself between the full-service and the limited-service companies,” Pettus says.

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