

Can online disruptors and agents co-exist under one brand?

By  Adrian Goslett

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Until recently, low-cost, fixed-fee online real estate services were in direct opposition to the traditional real estate model. But, is it possible to merge these two approaches under a single brand, and will more traditional real estate services adopt this approach over time?



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In my opinion, and with the real estate agent in mind, this model cannot work. The onus would be on the agent to sell their services to their clients while competing against a lower cost version of their own brand. Part of a real estate agent's value is the backing of an established brand that provides the desired exposure to market a home. If this same brand offers a low-cost version of the service, then the real estate agent is left with one less advantage to mention when marketing his/her own services. In order to make his/her services appealing, the agent would either have to downplay the level of service their brand's low-cost alternative offers, or oversell their own level of service.

The former seems to be similar to the approach hybrid real estate brands are following. In these kinds of models, full-service traditional real estate agents will handle the more complex, luxury market sales while the low-cost online service will cater to the needs of the simpler affordable housing sector.

Personal, ongoing support

With the consumer in mind, this model still presents problems. The notion that selling less expensive real estate requires less guidance is somewhat flawed. The stakes involved in the affordable housing market transactions might be fiscally lower, but not in the mind of the homeowner who is most likely selling their largest financial asset, especially if this is a homeowner's first time selling. It is therefore likely that these sellers will need as much (if not more) personal and ongoing support from their real estate professional as an experienced real estate investor will.

It is therefore unlikely that other real estate agencies will follow this hybrid approach. The traditional real estate model still offers value to consumers who are willing to pay for a higher level of service. If online disruptors become a more popular option, real estate professionals will be forced to be on the top of their game in order to remain a desirable alternative – which is great news for consumers. Real estate agents should therefore join a brand that goes above and beyond to support and enable them to become the best in the business rather than undermine their value.

ABOUT ADRIAN GOSLETT

Adrian Goslett is CEO and regional director of RE/MAX Southern Africa. He joined RE/MAX Southern Africa in 2005 as a franchise development consultant, supporting various regions and offices. Throughout his career at RE/MAX he has held various positions. In 2010, after successfully leading 160 offices and over 1500 agents in six countries through the worst years real estate has ever seen in South Africa in 30 years, Goslett was appointed as CEO of RE/MAX Southern Africa.

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