

Analyzing the Internet-based Changes in the Finnish Residential Real Estate Market Case Igglo

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Outline

1. Research Questions and Method of the Study
2. Definitions
3. Case Company E-services
4. Different Ways of Doing Business in Real-Estate Markets
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6. Future Research

Research Questions

- What are the key elements of the e-services offered by Igglo?
- What are the differences of the traditional, the newly emerged, and the envisaged future ways of delivering the real estate services to customers?

Method of Study

- Explorative case study
 - Mainly secondary sources (contemporary magazine articles, scientific articles, web sites, blogs, discussion forums)
 - An interview

Definitions

- Electronic services:
 - a benefit-providing object of transaction that can be characterized as an *intangible process* that is, at least partially, produced, marketed and consumed in a simultaneous interaction through *electronic networks* (Järvinen & Lehtinen, 2004).
- E-services consist of:
 - the *content* of the service that can be divided into core, facilitating and supporting services, and of
 - the *medium* of the service through which the consumer is in contact with the service provider (Grönroos et al. 2000).

Number of Property for Sale by Different Real Estate Agents in Töölö

Selling something that is not for sale!

The image displays a collage of real estate website screenshots. At the top left is the 'opkk.fi' search interface with various filters. In the center is the 'Huoneistokeskus' website showing a search for properties in Töölö. On the right is the 'igglo' website with a search form and a grid of property listings, including addresses like 'Rindellinkatu 29', 'Tuulinkatu 32', and 'Runeberginkatu 32'. A large black box at the bottom center contains the text '419 houses', '25 silent sale', and '5 sale'. Three other black boxes with the numbers '6', '8', and '17' are overlaid on the screenshots.

3. USER INVOLVEMENT



Tell a story

Describe the house

Send more pictures

2. PULL

Demand:
Earmarkings

Supply:
For sale
Silent sale

Links to neighbourhood houses

Ask history of the house

Descriptions by the residents

Price development of the area

1. PRICE INFO

Link to the town planning information

Marketing Model

- Timmers (1998): business model is an architecture for product, service and information flows including the description of business actors and their roles, potential benefits for business actors, and the sources of revenues.
- The combination of a business model and marketing strategy is marketing model (Timmers, 1998).
 - Value proposition – lower commissions, more transparent information, “finding the right buyer”
 - Revenue model – differentiated commissions
 - Competitive advantage – picture database, marketing know-how

Real-estate Process and E-services (1)

	1. PROSPECTING FOR SELLERS	2. LISTING	3. PROSPECTING FOR BUYERS
Traditional way	2/3 of agent's time	Website & newspaper ads, brochures	Search functionality
Igglo way	Silent sale PUSH -> PULL	Website ads, (newspaper ads, brochures)	Earmarking Search functionality
Possible future way	Pull	User involvement	Advanced search Mashups

Real-estate Process and E-services (2)

4. SERVICING

5. NEGOTIATION, AGREEMENT

6. CLOSING

**Traditional
 =
 Igglo's way**

Showing

Personal service,
 (advice about price
 offers, counteroffers etc.)

Advice, official
 documents

**Possible
 future way**

Virtual reality,
 3D, bid price,
 info, differentiated
 services,
 calculators

Chat, web cameras,
 web conferencing

Electronic closing

Conclusions

- What are the key elements of the e-services offered by Igglo?
 - *Offering*: Clear division of the real-estate process in a online self-service phase and a offline "traditional" agent's role, customer pull
 - *Channel strategy*: Synergy approach (Venkatesh, 1999)
 - *Roles*: User-generated content, trust
 - *Revenue model*: commissions, advertising in the future
 - *Marketing know-how*

Promise fulfilled?

“Internet-based electronic markets leverage information technology to match buyers and sellers with increased effectiveness and lower transactions costs,” and therefore lead to “more efficient, ‘friction-free’ markets” (Bakos, 1998)

Future Research

- How the service quality and customer satisfaction are:
 - linked to service process and outcome, and
 - to online and offline services?
 - especially, how the customers value the new possibilities: silent sale and earmarking?