Clareity

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Syndication to Real Estate Portals: Problems and Solutions

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This paper is meant as a discussion guide for MLSs and their board of directors, as well as brokers, to help frame the discussion around current issues with listing syndication and potential solutions.

Syndication Backgrounder

The MLS industry is a buzz about syndication, especially after Clareity Consulting's MLS Executive Workshop in March teed up the topic and a vibrant discussion among MLS executives ensued. Matt Cohen, the Chief Technologist at Clareity, gave an overview of syndication today and blew up the myth that "Listings Everywhere" may have as much value as some people think. Matt showed that the traffic to many sites is so negligible, that one has to question whether that exposure has any measurable value for the broker or home seller, especially if the leads are being intentionally siphoned off and monetized, and potential buyers are left confused about who the listing agent is, and sometimes are annoyed by multiple agents contacting them who know little or nothing about the property they inquired about.

Remember the good old dot com days when MLSs were paid a dollar per listing? Today MLS staff spends time dealing with syndication accuracy and data proliferation complaints and the MLS gets little in return – and brokers receive less and less unless they spend money to feature the listings they provide. And, there are more sites than ever leveraging the listings to extract money from brokers and agents while deriving profits from the listings in other ways as well. How did we get here? Is there a way back – even partway back? Let's explore some of the problems in more detail and discuss potential solutions.

IDX versus Syndication

When IDX (Internet Data eXchange) rules were developed to facilitate brokers displaying each others' listings online, they included a wide variety of mechanisms for ensuring that both real estate professionals and consumers benefited. Rules for refreshing data in a timely manner, maintaining confidentiality with no redistribution, prominent identification of the listing firm and other provisions have helped make IDX a success. Unfortunately, most real estate advertising sites, or online "publishers", that display syndicated listings have no such mandate. As a result, new problems have cropped up on many of those websites especially as some publishers' business models have shifted away from "free" and we're beginning to see mounting concerns about listing syndication and the terms of use that many publishers offer. Brokers and MLSs have the ability to control where their listings are syndicated and how they are used. However, many fail to exercise this control because of the difficulty in managing a large number of syndication partners or because brokers feel the need for exposure on certain publishers' sites, regardless of the consequences. Some publishers appear to be cynically relying upon this combination of inattention and desperation to adopt increasingly controversial business models with impunity. IDX rules make it difficult for legitimate parties such as real estate franchisors to create national consumer websites, effectively holding them to a higher standard than their non-industry competitor sites.

The Advent of Syndication Networks

In the mid-2000's brokers became interested in driving exposure for their listings on a greater variety of websites. This coincided with the creation of new websites, such as Trulia and Zillow promising "free exposure, free web transfers, and free leads". At first, MLSs and brokers were able to individually review and negotiate the terms of use of each site and handle the technical requirements of managing a handful of syndication partners. However, as the number of publishers grew, MLSs strained to bear the expense and complexity associated with supporting all the sites where brokers wished to syndicate their listings. Requirements included:

- provide multiple data feeds
- support custom lead email addresses for brokerages which use lead routing
- support custom website redirection links for brokers
- track whether listings sent to websites are actually displayed (and help resolve errors)
- provide broker-level opt-in/opt-out (among the sites chosen by the MLS)
- deliver unified performance reporting (multiple sites on one report)

Companies focused on listing syndication emerged with the offer of providing a free technical solution to the MLSs. These "Syndication Network" solutions (Point2 and ListHub being the leaders) reduced the cost and complexity for MLSs and brokers and provided them with tools such as a dashboard to manage which sites would receive their listings, and in the case of ListHub, a "scorecard" explaining how publishers used the syndicated listings. The MLSs, however, would still be responsible for reviewing the various websites' "terms of use" and along with their brokers decide upon which publishers were appropriate recipients. The syndication networks positioned themselves as "FedEx" – a secure, reliable, (and unlike FedEx, free) way to transport information, leaving it up to the sender to determine where the parcel would be sent.

This worked well during the early days of the syndication networks. However, as the number of recipient web sites increased, it became difficult for MLSs to keep up with the various terms of use for each and every web site and keep current on changes. The number of publishers has exploded and the number of MLSs participating in syndication has increased.

It is difficult for MLSs and brokers to keep up with the number of publishers, review their terms of use, and their sometimes frequent changes to their terms of use and advertising policies. Also, the practice of allowing brokers to opt to send listings to "all" publishers in the network, including those added after the opt-in, means that listings are being sent to new publishers without brokers or agents being informed of the new sites' quality, business model, traffic, and terms of use. As a result, MLSs and brokers are increasingly expressing concerns, not so much about the exposure that syndication enables, but the misuse of syndicated listings by some sites and the "fine print" in their terms of use.

Problems with Syndication

In 2010, Clareity Consulting and REAL *Trends* collaborated to determine the views of the leading brokerage firms with respect to the latest MLS initiatives, including syndication. The 500 largest brokers in the country and Real Trend's Up-and-Comer list were surveyed and over 150 broker/owners responded. Only 47% rated MLS listing syndication capabilities as "Excellent" or "Good". The primary areas suggested for improvement were: 1) provide brokers more insight and control, 2) enhance MLS security and control over where the listings were syndicated, 3) enforce syndication integrity and accuracy, and 4) ensure the information wasn't used to sell leads back to brokers. The brokers' concerns need to be taken seriously.

From an MLS perspective, MLSs have to deal all the time with complaints about advertising sites from members about data accuracy, duplicate listings, lack of appropriate listing broker attribution, listings not supposed to be on a site, and more. Though no publisher has achieved perfection, the one that is most current and accurate is still Realtor.com. Why? Primarily because Realtor.com is required to to run its business according to a set of industry-friendly business rules, contained in an operating agreement with NAR – and NAR has a team in place to ensure compliance. In turn, this level of "regulation" has made MLSs comfortable to provide Realtor.com with standardized, comprehensive data feeds. And Realtor.com has invested in the technology to pull its listings directly from the 800 plus MLSs, primarily via RETS data feeds refreshed every 15 minutes. Unfortunately, other publishers do not have the same relationships or technology in place, so they and allow or encourage agents and brokers to post listings directly or using lesser-quality syndication tools. Some publishers do not have reliable means of ensuring the listings are kept accurate and taken down when appropriate, resulting in a variety of data accuracy issues. For example, publishers often receive the same listing from two or more sources (agent, broker, MLS, and syndicators) and must try to decide which listing source is more current, accurate, or enhanced and should trump the other ones.

The Sale of Online Leads is Booming!

Online publishers largely control the listings and who gets the leads. Many brokers and agents are unaware of which sites their listings are on, or end up on, let alone how many leads they're losing to other agents or companies (neither having to be REALTORS®) that pay to "squat" on their listings. They're also unaware of how their listings may be "re-syndicated", used to create derivative works, or sold to third parties such as banks for unanticipated uses. The original content providers and aggregators – the listing agent, listing broker, and MLS – are rarely compensated with either money, or traffic to their sites, the way they used to be.

Several major portals have recently shifted their business models in order to increase revenue, and two of them, Zillow and Trulia, have indicated they plan to do an IPO. A company going public is a very compelling reason for its executives and VC investors to ramp up revenue quickly to inflate the company's value, regardless of the long-term impact on the real estate industry or REALTOR® community.

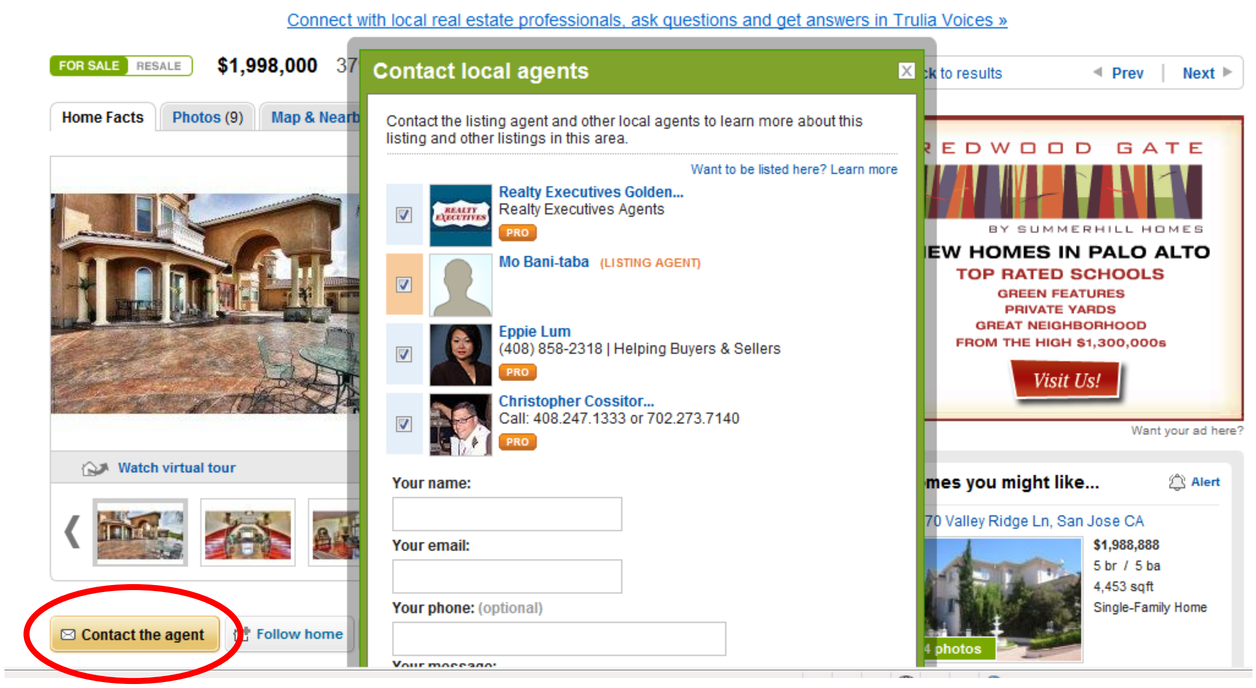
Quite simply, many of the "free" sites are no longer free. The free "trust us, we're your online marketing partner" period is over! Clareity expects some of the publishers to get even more aggressive in the near future – after all, what's stopping them? Do the publishers care about real estate or are they simply here to derive as much revenue as possible from each listing to satiate the demands of the investors that have collectively plowed between tens and hundreds of millions into these sites? Other than Realtor.com, which is bound by the aforementioned operating agreement with NAR, there really are no rules controlling online publishers. And once a portal achieves critical mass in listing inventory and traffic, it's almost impossible for the average real estate practitioner to understand, let alone explain to a consumer, why their home should not be appear on sites such as AOL, Trulia, Zillow, YAHOO!, and a hundred others.

The pendulum of power has recently and rapidly shifted to the top portals creating the potential for a portal "cartel" that can change - or ignore - the unwritten ethical rules and choose to cross the "industry friendly" boundaries they wouldn't have dared to cross before. If this group leverages its new found power before the industry does something about it, it is likely have a detrimental impact on the income and expenses of listing agents and brokers, and create a *substantial and permanent revenue shift*.

In the 80's and early 90's, brokers felt like they were held hostage by the newspapers because the papers raised advertising rates every year, and not because their costs went up, but because they could. Clareity expects American greed to prevail and an unfortunate repeat of this trend from the increasingly powerful large online publishers.

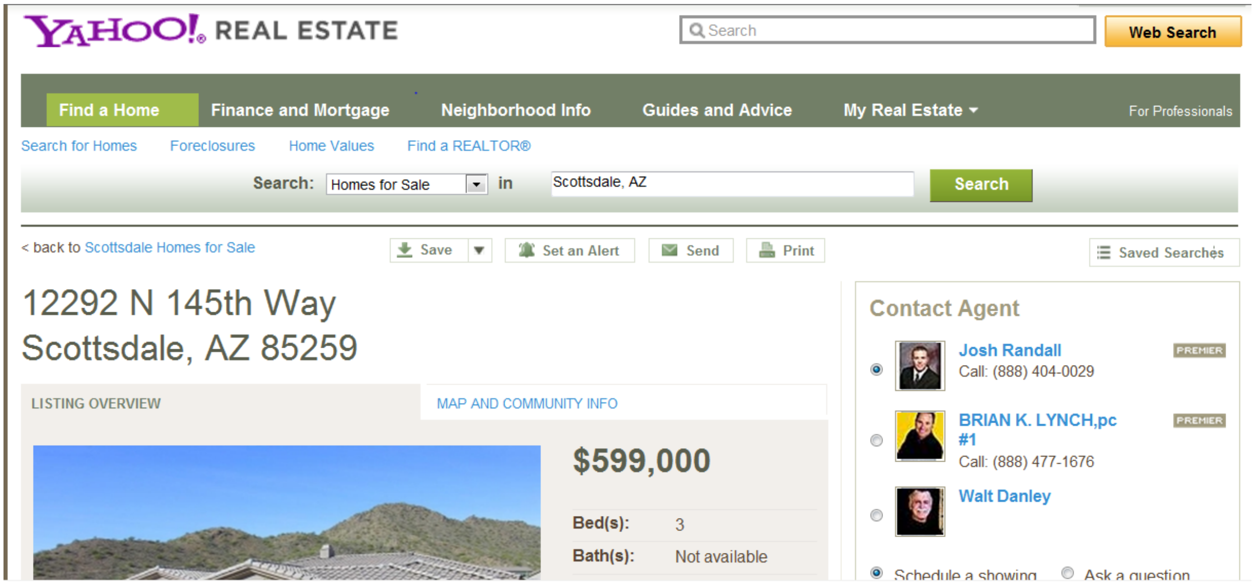
There are numerous examples of business model shifts that Clareity has observed. Following are three examples of sites that recently changed their business model by adding new "squatting opportunities" to anyone with a credit card.

TRULIA



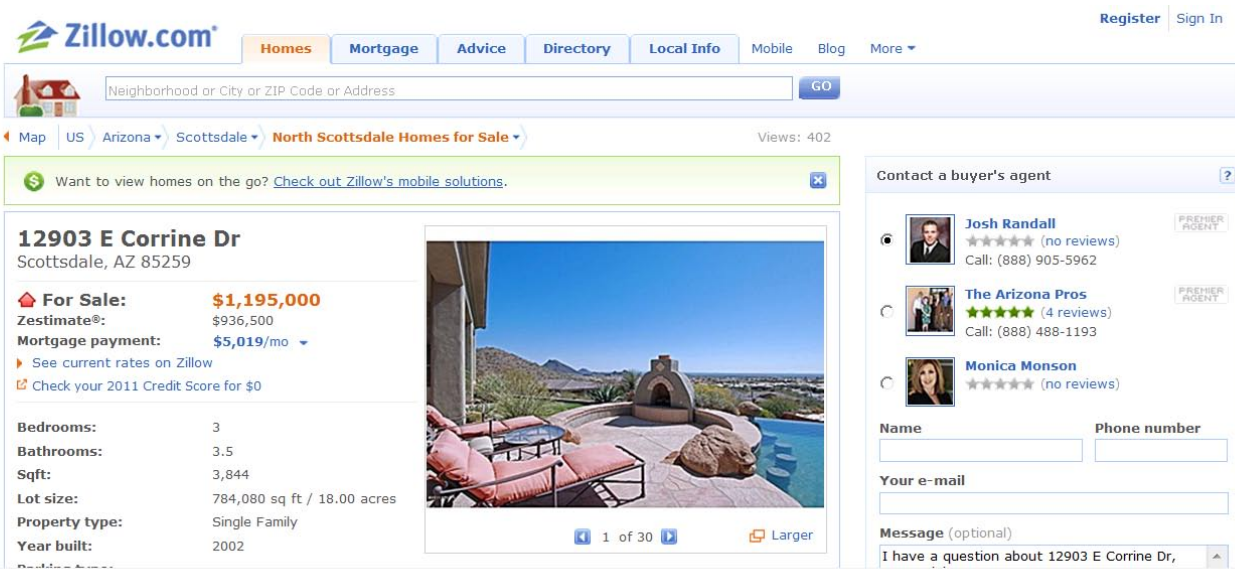
In the Trulia example above, when the site visitor clicks on the "Contact the agent" button, four heads appear. The listing agent often appears in the second position, is not pictured, nor is their phone # displayed, because they haven't paid for it to be a featured listing. The other three agent's photos and contact information (or a link) appears, and in this case, the other three positions display a "Pro" designation, making the listing agent look like an unqualified schmuck by comparison. Clareity refers to this method of advertising four agents (or firms) on one listing as the "four headed monster" model. Another interesting thing to note in this example is that another broker office appeared on top of this listing. This is prohibited by laws in some states! By default, the lead will go to all four parties unless the visitor chooses to de-select any of the options. Now, while there must be some consumers that appreciate getting three or four calls or email responses from one inquiry, there are others that wouldn't ask for that intentionally.

YAHOO!



In the YAHOO! example (powered by Zillow) above, this is not a featured listing (meaning the listing agent has not paid YAHOO!), so three agents' heads automatically appear at the top right side of the listing details page. It isn't clear if one is the listing agent, and in this case, none of them are! The listing agent and broker's information was way down (four, yes four, page down button-clicks on a typical laptop screen) buried below the Sponsor Results (other broker ads). Note that YAHOO! also has a "premier" button that appears besides the agents' names. Poor Walt looks, well, less than premier, right? There are also two buttons: "Schedule a showing" and "Ask agent a question" in prime position in the price column (not shown in example). When either button is clicked, the same three agents appear in a pop up window. The terms "Contact Agent" and "Ask agent a question" certainly imply it's the listing agent to us, not some random agent in an ad rotation, which seems to be the case on YAHOO!.

ZILLOW



This example looks familiar, doesn't it? Zillow didn't used to have a three head model, but now inserts three heads on non-featured listings. The same buyer's agent from the previous YAHOO! example popped up #1 on Zillow, too, perhaps because he had purchased other advertising Clareity saw previously on the search results page. As a sidebar, Zillow's unique innovation is the buyer's agent ratings – see the stars below the agent or team name? This example illustrates how agents who embrace ratings can gain competitive edge.

Trulia, YAHOO!, Zillow and others would claim that their ad treatments are no different from the standard industry practices of "cooperation and compensation" and IDX display, where someone other than the listing broker works with a buyer and where competing brokers advertise the listing broker's properties. However, as noted above, closer examination suggests that consumers often are not aware that their inquiries are being directed to someone other than the listing agent. And the user experiences on these sites often *actively* disadvantage the listing agents. Moreover, the IDX infrastructure is specifically designed to help brokers provide permission for their counterparts to advertise their listings (with prominent attribution for the listing broker). Many publishers would be hard pressed to argue that the listing brokers have knowingly granted permission for third-parties to advertise and capture leads on their listings, and the treatments on Trulia, YAHOO!, and Zillow are in no way comparable to typical IDX display rules.

Note: There are many examples of publishers crossing the "industry friendly" line of how they display (and what they decide to do or create with) syndicated real estate content. The examples in this section from Trulia, YAHOO!, and ZIllow are *not* the most aggressive or worst ones, but they are from the highest traffic "unregulated" sites, so they have the most influence on consumers and where leads generated from syndicated content end up.

It Gets Worse

In the three examples above, the consumer expecting to contact the listing agent is drawn into an advertising battle among agents that may well know little about the property their head was on. Is this treating the consumer better than facilitating contact with the listing agent, who is the expert on that listing? If this isn't about servicing the consumer, isn't this really about the quest for more revenue? One can only hope the agents advertising are licensed and locally knowledgeable, so at least they know something about the city or state the property is in, although even that is not a requirement to our knowledge...

Imagine a call center in India answering ad calls for a Russian based lead-generation company (d.b.a. USA Real Estate) that sells the scrubbed leads back to the listing broker, or the highest bidder.

This may seem like an extreme hypothetical case, but there's nothing to stop this type of lead profiteering from occurring as there is increasing pressure on publishers to generate revenue. Clareity also expects other revenue generation techniques will emerge that will cause channel conflict with brokerage affiliate businesses.

Most publishers offer an option to listing agents and brokers to suppress the three- or four-headed monster appearing on their listings. They offer a premium or featured listing option upgrade to keep listing agent name and/or broker brand prominent on their own listing.

In defense of the publishers, there are many brokers that feel any exposure is good exposure and simply don't care what happens around their listings. This apathy encourages publishers to try aggressive new revenue generating techniques on the non-featured listings they receive, and "push the envelope" - at least until somebody complains.

Several publishers state that the consumer is actually their customer, not the agent or broker. If the consumer is in fact the publisher's customers, then why are the publishers only charging the real estate professionals? Shouldn't the entity providing your core content be considered a customer, too?

Publishers have creatively identified several ways to generate revenue that don't always appear to be in the best interest of the consumer, or the real estate professional:

a) List additional/other agents on the listing agent's property details page.
b) Display additional/other broker ads on the property details page (if allowed by state law).
c) Decide to insert themselves as an intermediary, collecting the leads and selling them to multiple data buyers (lenders, title, AVMs, moving, carpet cleaners, etc.) without the consumer, the three or four advertising agents, or listing broker clearly understanding what is happening.
d) Direct the leads to its own licensed brokerage (or one it largely controls) to establish a consumer relationship, and refer it to other agents for a referral fee.
e) Collect the leads from a "lead capture link" on the property details page and offer them free to customers of the site's CRM product, or charge a fee if customers use another CRM.

With publisher business models changing so quickly, it has become difficult for brokers to remain vigilant, especially if they have syndicated their content everywhere.

There are many examples of other publishers doing unapproved things with the content provided via syndication feeds. The three examples shown above are just the tip of the iceberg.

Following is one path toward solving syndication problems.

Syndication Bill of Rights

It's time for the industry to crystallize what it expects from publishers and communicate it!

One approach would be to define a set of rules which would demand free carriage of brokers' listings and free lead-generation. While appealing, such an approach is unrealistic. Running a national real estate portal and attracting a sizeable audience is costly. Other industries operate under a "pay-to-play" classified model. In the apartments segment (Rent.com, Apartments.com, etc.), automobiles segment (cars.com, autotrader.com), and recruitment (Monster.com, CareerBuilder.com, HotJobs.com), paid inclusion is the norm. If the content provider doesn't pay, the listing doesn't appear. In the residential resale real estate space, the NAR-Realtor.com model of a "free basic listing", established in 1996, set the standard. In real estate, sites display listings for free, but then are required to come up with a monetization plan. Clareity believes that the appropriate goal is not to eliminate publisher revenues, but rather to establish rules that are fair and adequately protect the rights of the content owner while allowing the publishers to operate a business with reasonable returns. So, here's a draft of a Syndication Bill of Rights focusing primarily on the content owner – the broker, and partially on the MLS syndicating on their behalf:

1. The publisher will display the listing firm contact information, including phone number, in a prominent location on the listing detail page at no cost.
2. The publisher will provide a prominent link to the broker, agent, and/or MLS website, home page or property detail page if provided, and will not use "nofollow" tags that negatively affect the SEO benefit of such links.
3. *If* the publisher displays non-listing agent/firm information, then: (a) the full contact information for the listing agent/firm must be displayed at no charge, and these parties must be clearly identified as the listing agent/firm; (b) the listing/agent firm information must be displayed more prominently than the third-party agent/firm information; and (c) the site must not send leads to third party agents or firms if the consumer has not selected them as a contact recipient, and non-listing agents and firms will not be the default (pre-selected) choice for consumer contact.
4. The publisher has a process for ensuring data accuracy with the data provider(s); ensuring data is updated or removed as appropriate, at least every three days.
5. The publisher displays the date the listing data was last confirmed and updated, and the name of the data provider.

6. The publisher respects the intellectual property of brokers and MLSs. The terms and conditions do not require brokers and MLSs to give up rights (beyond display rights) or to grant rights in perpetuity. The terms and conditions allow the listings to be used only for the explicit purpose for which they were provided. An accuracy disclaimer and copyright notice is displayed, attributing the copyright holder of the information. The publisher must obtain explicit consent from the date provider for any other uses or derivative works.
7. The publisher does not re-syndicate, sub-license, power, or display listings on other websites without informing the data provider and obtaining their consent.
8. The publisher will provide aggregate statistics regarding traffic, at no cost, to the data provider.
9. The publisher provides reasonable mechanisms for preventing screen scraping and misuse of the listing data, understanding that *some* listing information must be exposed to search engines.
10. The publisher does not re-syndicate to or "power" sites that fail to uphold the previously described rights.

This list of rights obviously conflicts with the newer business models of several publishers but allows several ways for them to fairly generate revenue while improving the consumer experience. It represents a starting point that needs to be discussed and refined.

Now, let's take a look at how the leading publishers fare when compared to items in the Syndication Bill of Rights that we could see, discover, or measure:

How Do the Top Publishers Currently Rate?

	Realtor .com	**AOL**	**MSN**	**Zillow**	**Yahoo!**	**Homes. com**	**Front Door**	**Trulia**
1. The publisher will display the listing firm contact information, including phone number, in a prominent location on the listing detail page at no cost.								
Listing Broker firm name	Y	Y	Y	Y	Y	Y	Y	Y
Listing Broker firm telephone	Y	Y	N	N	Y	Y (must click to view)	N	N
Listing Broker firm email	N	Y	N	N	N	N	N	N
While not specifically required in the Bill of Rights, no-cost display of agent name and contact information may be of interest to readers.								
Listing Agent name	N	Y	N	Y	Y	N	N	Y
Listing Agent telephone	N	Y	N	N	N	N	N	Y (only if you claim your listing)

	Realtor .com	**AOL**	**MSN**	**Zillow**	**Yahoo!**	**Homes. com**	**Front Door**	**Trulia**
Listing Agent email	N	Y	N	N	N	N	N	Y (only if you claim your listing)
2. The publisher will provide a prominent link to the broker, agent, and/or MLS website, home page or property detail page if provided, and not use "nofollow" tags that negatively affect the SEO benefit of such links.								
Links to home page	N	N	N	N	N	N	N	N
Link to property details page	N	Y	N	Y Not promi-nent	Y Not promi-nent	Y Two links	Y	Y Not promi-nent
Does not use "nofollow" tag	N	N	N	N	N	N	N	N
3. *If* the publisher displays non-listing agent/firm information, then: (a) the full contact information for the listing agent/firm must be displayed at no charge, and these parties must be clearly identified as the listing agent/firm; (b) the listing/agent firm information must be displayed more prominently than the third-party agent/firm information; and (c) the site must not send leads to third party agents or firms if the consumer has not selected them as a contact recipient, and non-listing agents and firms will not be the default (pre-selected) choice for consumer contact.								
(a) the full contact information for the listing agent/firm must be displayed, and these parties must be clearly identified as the listing agent/firm;	Y (no non-listing agent display)	Y (no non-listing agent display)	Y (no non-listing agent display)	N	N Listing Agent is not clearly identifi ed.	Y (no non-listing agent display)	Y (no non-listing agent display)	N
(b) the listing agent/ firm information must be displayed more prominently than the third-party agent/firm information; and	Y (no non-listing agent display)	Y (no non-listing agent display)	Y (no non-listing agent display)	N	N	Y (no non-listing agent display)	Y (no non-listing agent display)	N

	Realtor .com	**AOL**	**MSN**	**Zillow**	**Yahoo!**	**Homes. com**	**Front Door**	**Trulia**
(c) the site must not send leads to third party agents or firms if the consumer has not selected them as a contact recipient, and non-listing agents and firms will not be the default (pre-selected) choice for consumer contact.	Y (no non-listing agent display)	Y (no non-listing agent display)	Y (no non-listing agent display)	N	N	Y (no non-listing agent display)	Y (no non-listing agent display)	N
4. The publisher has a process for ensuring data accuracy with the data provider(s); ensuring data is updated or removed as appropriate, at least every three days.	Y	Y	Y	Y[1]	Y[1]	Y[1]	Y[1]	Y
5. The publisher displays the date the listing data was last confirmed and updated, and the name of the data provider.								
Listing date/time stamp	Y	Y	Y	Y	Y	Y	Y	N
Data provider name	N [Y where request-ed by the MLS]	N	N	Y	Y	Y	Y	Y

[1] Source: Listhub "Channel Score Cards"

	Realtor .com	AOL	MSN	Zillow	Yahoo!	Homes. com	Front Door	Trulia
6. The publisher respects the intellectual property of brokers and MLSs. The terms and conditions do not require brokers and MLSs to give up rights (beyond display rights) or to grant rights in perpetuity. The terms and conditions allow the listings to be used only for the explicit purpose for which they were provided. The publisher must obtain explicit consent from the date provider for any other uses or derivative works.	N	N	N	N	N	N	N	N
An accuracy disclaimer and copyright notice is displayed, attributing the copyright holder of the information.	If request ed	If request ed	If request ed	N	N	N – copyrt Y - accuracy	N	N
7. The publisher does not re-syndicate, sub-license, power, or display listings on other websites without informing the data provider and obtaining their consent.	Y	N/A Pow’rd by R.com	N/A Pow’rd by R.com	N	N/A Pow’rd by Zillow	Y	N	N
8. The publisher will provide aggregate statistics regarding traffic, at no cost, to the MLS data provider.	Y On Request	Y On Request	Y On Request	Y	Y	Y	Y	Y

	Realtor .com	AOL	MSN	Zillow	Yahoo!	Homes. com	Front Door	Trulia
9. The publisher provides reasonable mechanisms for preventing screen scraping and misuse of the listing data, understanding that *some* listing information must be exposed to search engines.	Y	Y	Y	Y	Y	Y	Un-known	Un-known
10. The publisher does not re-syndicate to or "power" sites that fail to uphold the previously described rights (Items 1-9).	N	N	N	N	N	N	N	N

The information in this table was gathered the week of April 11, 2011. It is believed to be reliable, but not guaranteed.

Clareity created a simpler chart below, using a ten point scale where ten is the most industry friendly. Publishers were given a point for each main item in the table above, with partial credit given where answers were there was partial compliance.

Homes.com	Realtor .com	AOL	MSN	Yahoo!	Front Door	Zillow	Trulia
7.25	7	7	6	6.25	6	4.75	4.25

This chart has no weighting of items – each of the ten items from the larger chart counts for one point. One would expect different brokers or MLSs may want to weight specific items and even non-compliance on *one* specific item may be significant, if that's the one that is their primary concern.

There are additional criteria that could used to measure the publishers. These include, but are by no means limited to, criteria such as: provision of listing level traffic and engagement statistics, traffic sent to broker, agent, and MLS websites, display of future industry certifications, and so forth. Clareity expects that future "report cards" will include at least some of these criteria.

Achieving the Objectives

There are several paths toward having the aforementioned rights respected by sites where the data is being syndicated, and a combination of these paths may yield positive results. Here are some scenarios Clareity sees as possible or already happening:

Voluntary Acceptance of Rights

Once there is industry consensus around these rights (or a refined version that becomes a "friendly publisher guideline" or possibly a "publisher standard") some publishers will voluntarily comply with these measures in order to benefit the listing providers as well as consumers. Perhaps an industry organization that represents a wide constituency could provide a website certification for publishers that fully comply.

Market Driven Change by Brokers and Agents

MLSs can't mandate that brokers not send their listings to non-compliant sites, but they can collaborate to review the hundreds of advertising sites and provide information to brokers and agents, letting them decide whether to send their listings to publishers that don't comply with standards for listing display.

One might think that brokers and agents will be reluctant to take their listings off of a web site that doesn't comply, but perhaps they would if they understood the true value of these sites, individually. Based on Hitwise™ February 2011 figures, the traffic at YAHOO!, Realtor.com, Zillow, FrontDoor, Trulia, MSN, Homes.com, AOL, and Homefinder.com don't even add up to 50% of online listing exposure, with *each site providing between one and six percent of online listing traffic*. Where is the bulk of the online traffic to the listings coming from? It comes from the combined traffic of hundreds of online publishers including newspaper, television station, and classified sites, and tens of thousands of agent, broker and franchise websites! At the same time, many web sites offer so little traffic that it may not make sense to syndicate to them in the first place, but especially if those publishers have questionable business models or display unacceptable content or advertising around the syndicated listings. And at the risk of being repetitive, many brokers don't even know all the sites their listings are on, especially the re-syndicated or "powered" sites, and they certainly don't have the staff, tools or time to monitor them all.

With appropriate information, brokers and agents could make better decisions about where their listings were going and where they could best spend their online advertising dollars – benefiting themselves, home sellers, and prospective home buyers.

MLS Certified Listings

MLSs could "certify" listings on sites that comply with MLS-determined rules for freshness and accuracy and compliance with the "Syndication Bill of Rights" to build public awareness of the benefits of MLS certified listings. The concept of MLS certified listings has been discussed by several industry groups, going back as far as 2006 and could be a part of the solution for brokers and MLSs working effectively with hundreds of publishers.

Other Approaches Being Evaluated

Two other approaches are currently being considered by MLSs, individually and in combination:

- "Transient Download": making publishers obtain MLS data at the time the site visitor conducts the search, either via RETS or API. Because the information is not stored in the publisher's database, the consumer would obtain the freshest listings directly from the MLS source. However, there are several issues with this approach: 1) This does not provide a substantial advantage over markets where publishers have a relationship with the MLS and receive updates via RETS every 15 minutes to an hour. Because there is no way to preclude brokers/franchises from sending their listings direct to the publisher for storage in their database the current issues with duplicates and data accuracy among duplicates are not solved. 2) If listings are not stored in the publisher's database it is unclear how enhanced listings would be made to work. 3) There are doubts that this model could provide the system search and display performance and reliability required by publishers, and now expected by consumers. 4) innovation on website and mobile apps would be limited by the capabilities offered by the source database, effectively reducing diversity and options for brokers.
- "Partial Download": only allowing the publisher to download some of the listing fields and thumbnail images for storage to facilitate search – listing details would either occur via transient download or by linking directly to property detail pages hosted by MLSs or brokers. Again, unless brokers and franchises stopped sending duplicates, the way they do today, this doesn't solve the problems. And, if the publishers are required to link to listing detail pages on other websites, the user experience will surely suffer. Again, issues surrounding performance and flexibility would be significant.

Clareity believes the chances of MLSs being willing or able to mandate that brokers or entire franchises not send their own listings to the publishers is negligible, and if there is but one large broker that does not let the MLS fully control syndication, being provided an advantage by the publisher for doing so, then an attempt by the MLS to fully control syndication will be fruitless.

Both of these approaches and variations being discussed amount to MLSs pulling back from syndication. Brokers and franchises that had the resources to send listings to publishers directly and efficiently would be advantaged in the immediate term, and other services would, no doubt, spring up to serve broker and agent syndication needs. Syndication would become more fragmented and problematic to manage than ever, and MLSs could entirely lose syndication relevancy and control.

Conclusion

Online publisher business models have changed considerably in recent months. Some of these changes, combined with data inaccuracy issues, are causing dissatisfaction with syndication, resulting in the sense of a loss of control, and even talk of ceasing syndication altogether. Clareity expects the publishers' models to continue to evolve, and suggests a fair balance needs to be struck before matters get even worse. There is a balance point where the publishers can run their business, innovate, and make a profit, while still respecting the data provider 's reasonable rights and wishes .

If the industry can coordinate around a voluntary set of standards for listing display and lead collection, as suggested by the "Syndication Bill of Rights" in this paper, it can create a better experience for the consumers, and a more cooperative and harmonious environment for the data providers and publishers.

The days of brokers checking the "send to all" box on a syndication network, without any intelligence or guidance, need to come to an end. Clareity hopes that MLS organizations will use this paper as a starting point for evaluating and rating local and national publishers and strive to help their brokers make informed decisions on where to syndicate their listings.

About Clareity Consulting

Founded in 1996, Clareity continually strives to provide our clients an independent and unique perspective. Due to our extensive involvement and interaction across the entire Real Estate industry, we have a finger on the pulse of the industry. Clareity has successfully executed a vast array of consulting projects for our clients, related to:

- Development and analysis of RFPs for MLS systems, public records, broker systems and transaction management systems
- Public speaking and presentations
- Strategic planning
- Information security and business risk management assessments
- VOW and IDX compliance audits
- Regionalization and data share consulting
- Mergers and acquisitions and strategic alliances
- New product marketing and business plans
- Conference planning and content development
- Competitive analysis
- Contract negotiation
- Executive recruitment
- Project management and implementation assistance
- Market research including agent, broker, and staff surveys and focus groups

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