

# Bringing your imagination to the virtual table (and chairs): *The world is customizing. Real estate is no different.*

By the Obeo Executive Team:

**Glade Jones**, CEO and President

**Slade Combs**, Creative Director for Culture

The core goal of advertising is to create a brand strong enough to generate sales, create loyalty and move culture. Through compelling images, music or well-crafted words, advertisers strive to create psychological connections, stir the emotions and enhance recall. In other words, they persuade consumers to envision themselves using their product — taking psychological ownership.

Integrating these concepts, Obeo has cultivated its own distinct brand that brings this concept into the world of buying and selling real estate. The fundamental idea behind our approach is that any time you can personalize the buying experience, the consumer will meet you halfway, bringing a part of their unique selves into the process.

Nike executes this concept flawlessly. If a consumer goes online to buy a pair of Nikes, the shoe starts out pretty standard. Through their robust technology, though, Nike offers consumers the leeway to customize lace or shoe colors. The idea is that when you're done personalizing this formerly plain entity, the shoe is now yours, not Nike's. Suddenly, consumers begin showing friends and family this unique thing they've created. They're not talking about what Nike did. They are telling others what they themselves did, thanks to Nike.

The same concept applies to real estate. That formerly faceless home listing is no longer one of many thousands; instead, through personalization, it can become one in a million once a consumer spends time with and becomes attached to it, taking psychological ownership.

This approach to giving consumers the tools to take psychological ownership is rooted in a very simple principle: People enjoy creating something that's uniquely theirs. While engaging in that process, they fall in love with the brand that facilitated that ability. In nearly every industry outside of real estate, this is common knowledge. The real estate industry is finally starting to catch on.

## The psychological cost per square foot

With our joint experience in the homebuilding world, we have associated with and interviewed many home builders and customers to learn more about how people search for homes. We discovered that most people were doing quick calculations of cost per square foot and not looking at much else before moving on to the next listing in about four seconds. Customers were becoming blasé, overlooking the most important details in each listing. Such a narrow criterion doesn't say much about a house's design, potential or value. It's just a formula.

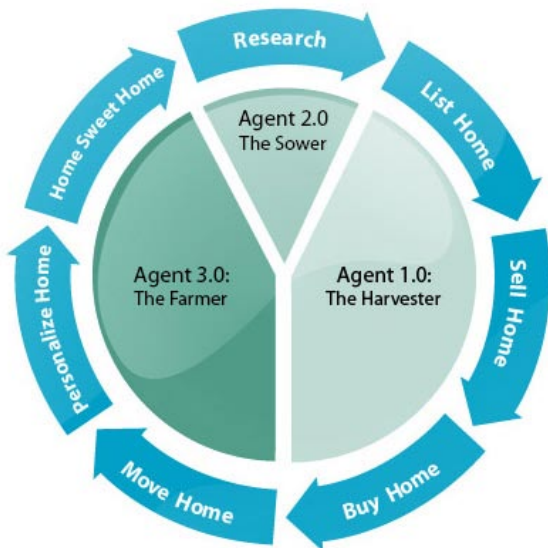
The psychological ownership concept was born from that insight. Some experienced builders were losing business because of the cost-per-square-foot calculation, even though their unique homes were designed to fit a lifestyle. We wanted to humanize houses again; to take people's minds out of this robotic searching mode. So we started asking: What would it be like if I had this house at Christmas? In the summer? What would I do with the yard?

That's when we invented SpaceDesigner, a way to click and drag furniture inside the floor plan. We wanted to enable consumers to print out a customized brochure and show their friends what they had come up with — just like Nike did. Very quickly, we've gone from just another listing to one the buyer has customized and invested in emotionally. They've brought half of what they're buying, which is a feeling, to the process.

Now, when the consumer decides to go to his or her agent, they already know what they want as well as how much they are willing to pay for it, and they have a desire to move forward as quickly as possible. They have superseded steps the agent would normally take for them. Some people would probably read that statement and say, "That makes the agent less valuable." Actually, the opposite is true.

The agent can now move more clients through the buying process more quickly, leaving themselves time to focus on becoming what we at Obeo call “Agent 3.0”: a consumer-centric advocate who cultivates an ongoing relationship and aligns him- or herself with the consumer’s best interests through every stage of the real estate life cycle, from the time they begin researching real estate, to listing, selling and/or buying a home, through the personalization and “home sweet home” stages until the cycle begins again. That’s where an agent’s value comes from in today’s market.

## Home Ownership Cycle



*Caption: In Obeo’s “Agent 3.0” model, the agent derives his or her value by working with clients at every single point on the homeownership lifecycle, not just listing and selling.*

## Countering counter-intuition

People intuitively shop a certain way for most products, so why should we try to change them when it comes to real estate? If you can “trick out” a Mercedes-Benz online, why should you expect any different when shopping for a house that is eight, nine or 10 times more expensive?

That’s the biggest question we get about our approach: “Why are you doing it this way?” Yet when you jump to cars or fashion or anything else, the same tech tools that Obeo uses are commonplace. In fact, companies in any of these sectors that don’t have those tools are going to get blown out of the water. There seems to be this idea that shopping for houses has to be different than shopping for clothes, cars or computers when, in reality, it doesn’t.

From our research, we know this approach is the simplest, fastest way for consumers to assimilate information. Most home buyers look at hundreds, sometimes thousands, of homes. Our goal is to help them decide quickly, and correctly, whether this home is worth delving into.

When a Web site is too complicated, and 99 percent of them are, consumers move on quickly. We know we have just a few seconds to make our case. We have to show everything we have to offer in a highly organized way within an extremely compressed time and space. That is why we designed our HomeSite product — a microsite for a home listing — like a print ad. When a visitor first opens the listing, they see a photo of the home, its price and a short paragraph. That’s it.

If they are interested, consumers can drill down to the listing’s other, more detailed sections, which include more photos and panoramas, a virtual tour, agent and neighborhood information, and, most importantly, Obeo’s customization tools SpaceDesigner and StyleDesigner.

The two function much differently, but trade on the same principle of psychological ownership. SpaceDesigner allows visitors to virtually “live” in a home by clicking and dragging furniture on the home’s floor plan. They can envision where they will place objects while thinking about what they own now, what they want in the future and what they will do with those items. Consumers are empowered to answer very specific questions: Is this going to be a good space? Is this house big enough? Is it too big? Now we’re moving beyond the product itself. The consumer is starting to think, “I can definitely see myself living here.”

Another aspect to psychological ownership is understanding how that space translates into one’s lifestyle. StyleDesigner allows a consumer to virtually repaint, add new floor coverings and remodel the kitchen or anything else they can think of. Both of these tools are great ways to begin stimulating a consumer’s creativity.

In advertising, we use color to call attention and to capture one’s emotions. With many homes on the market, there’s a feeling of staleness when you walk through an empty house that has white walls. With StyleDesigner, whatever emotion is lacking in that current listing can be modified on the fly. If a consumer wants to feel warm and cozy, maybe they’ll change the living room from white to red or another darker color. Whatever it is a visitor finds important in a house from an emotional perspective, they can make it happen before ever setting foot inside.

At that critical point, they have overcome a psychological milestone in the buying process. The payoff for both agent and seller is that when the consumer finally sees the home in person, the walk-through becomes a completely different experience. Like a catchy commercial jingle that lingers in your mind, finally seeing the house creates that strong psychological connection and emotional recall. For an agent, nothing could be more positive — or valuable.

## About Glade Jones and Slade Combs

### Glade Jones

As the chief executive officer and president of Obeo, Glade Jones is the company visionary who sets its strategic direction. He is also chairman of the board and chief liaison with outside board members, overseeing leadership accountability and partner relationship building.

Jones has been actively working and leading out in the real estate industry for the last 15 years. He has served as president of Calute Homes, a homebuilding and land development company in Salt Lake City, Utah, as well as the vice president of Blackburn Jones Real Estate and Development.

A lifelong entrepreneur, Jones started what is now Obeo Inc. in 2000 to make the process of finding and personalizing a home more effective and rewarding. Obeo does this by bringing state-of-the-art dream-expanding tools to a potential buyer's online home search experience.

Jones has an undergraduate degree and an MBA from BYU, where he graduated magna cum laude with distinction.

### Slade Combs

As a key industry consultant, Slade Combs works with Obeo on the company's advertising and marketing strategies. Over the years, Combs has worked with Obeo on many initiatives and led the effort to rebrand Obeo Inc. from its former identity, 360House Inc., helping the firm create and build a much deeper product platform. Obeo has since launched a new line of services based around the internal expertise that Obeo brings to the market. This is encapsulated in the slogan, "Obeo: The experts in buyer behavior," capitalizing on the shift toward consumer-centric content in the real estate sector.

Combs began his advertising career creating marketing campaigns for residential and commercial real estate developers. Combs is the founder of Culture Advertising Inc., an advertising agency specializing in branding and creative content initiatives. Culture is located in the heart of Manhattan servicing companies at different stages of development across a diverse set of industries including real estate, fashion, insurance and nonprofit. Combs serves as president and chief creative director of Culture.

Combs earned a bachelor of arts in media arts from BYU and currently lives with his wife in New York City.

## About Obeo

Since its evolution from 360 House to Obeo in 2005, the Salt Lake City, Utah-based company has become the largest supplier of full-service residential real estate online marketing products in the United States and Canada. The Latin word for "to go to" or "to encompass," Obeo provides Realtors®, homebuilders, land developers and property managers with customized online marketing solutions and offline sales tools including virtual tours, property listing sites, downloaded CD tours and seller reporting tools. Products include Obeo Connect, a 24-hour call-capture lead-generation system, Obeo Publish for print marketing and Obeo Keepsake, which assists with post-purchase marketing. To find out more, go to [www.obeo.com](http://www.obeo.com).