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## ANALYSIS

## Why you need predictive analytics to thrive in 2017

Actionize big data with predictive analytics to win listings

BY INMAN CONTENT STUDIO ★ Sponsored By SmartZip  
JUN 26

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Amazon's surprise \$13.7 billion acquisition of Whole Foods represents another significant growth notch in the Seattle tech behemoth's belt.

Its ever-expanding presence in our daily lives doesn't just come from the smarts and aggressiveness of founder Jeff Bezos, but from predictive analytics, which fuels 35 percent of the purchases consumers make on Amazon.com, [according to research firm McKinsey & Company](#).

The company's predictive algorithms place recommended products in front of us, on the right page at the right time, which spurs us to purchase.

Now, what if you could leverage the same technology to get in front of the right homeowners at the right time, just as they were starting to think about moving, or needed to move, due to their personal, neighborhood, economic or other circumstances?

Enter predictive analytics, a fast-emerging marketing technology that harnesses the power of big data to make agents' marketing smarter and more efficient.

As you may know, big data — the growing compendium of data generated by our increasingly digital lives marked by social media, Google searches, public records, financial data, online purchases and more — is rapidly reshaping real estate (and nearly every other industry).

By crunching this massive amount of data and running it through sophisticated algorithms that get more accurate over time, thanks to a self-training protocol known as machine learning, predictive analytics can predict which homeowners in your farm or sphere are most likely to sell in the next six to 12 months.

And as homeowners' lives and market conditions change, this analytics automatically update with the latest data to always pinpoint the best seller targets. This insight allows you to hone your messaging and target your marketing, saving you time, effort and money, raising your conversion rates, and keeping you two steps ahead of the competition.

The agents who commit to a detailed, data-driven approach to knowing and understanding their leads, contacts and clients, and helping them along their individual journeys will have an advantage in winning more listings and lifelong clients.

**Predictive analytics is here to stay**

self-driving cars, the virtual worlds in our virtual reality headsets and more.

The technology is only becoming more powerful as big data continues to pour in from smart devices, our online behaviors, our homes and everything in between, and as the machine learning algorithms that power it become more accurate.

While predictive analytics is a fairly easy concept to grasp, it isn't easy to implement. Make sure you turn to an established provider in the real estate space who has years of expertise and algorithms with a proven track record in your market and across the U.S.

Below are three ways agents can use predictive analytics to get results.

**Focus your marketing**

Instead of mailing postcards or targeting digital ads to your whole farm or sphere, hone in on just those homeowners that predictive analytics suggests will sell in the next six to 12 months.

For example, instead of sending 600 potential sellers one postcard per quarter, you can send three postcards to the 200 homeowners more likely to sell soon. This has a multiplying effect: For the same cost, you have the opportunity to build relationships and a stronger brand with the subset of your farm or sphere who are more likely to sell, upping the likelihood that more will choose you when they decide to move.

**Uncover trends as they happen and take advantage**

Predictive analytics allows you to jump on trends before anyone else recognizes them.

For example, it can alert you when a certain neighborhood is experiencing a “herd” effect, an instance where the rate of home sales increases above average fueled by underlying factors such as changes in area school quality, crime rates, job prospects and more. Predictive analytics provides agents these insights as they happen, giving them the opportunity to market their services to these likely sellers ahead of the competition.

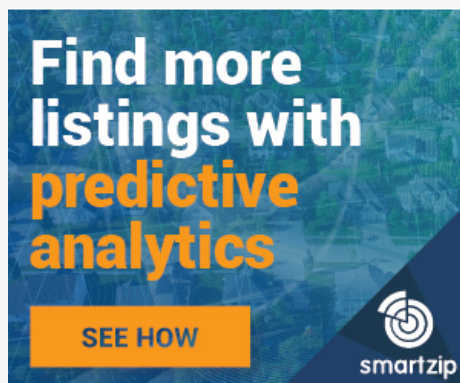
**Elicit lead engagement with relevancy**

We have all heard that the best marketing results happen when you put the right message in front of the right person at the right time. Predictive analytics is critical to optimizing your marketing ROI. The message in your marketing matters.

For example, predictive analytics can discern if homeowners are likely to downsize or upgrade for their next home, which allows you to tune your direct mail and online ads to their specific situation. Or, if someone has equity in their home, analytics can help craft a message that drives the owner to consider an upgrade.

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*SmartZip Analytics helps agents take full advantage of predictive analytics with its all-in-one platform that merges a sophisticated, proven predictive analytics engine with automated multi-channel marketing solutions to help agents get ahead of their competition. Visit [smartzip.com](http://smartzip.com) to find out more.*



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**Brandon Tobin** · UC Berkeley

Fantastic article! Really good point about catching trends like "the herd effect" with the power of big data...all before the competition realizes what's going on!

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