

The Challenges for Google Real Estate



The launch of Google Real Estate search on Google Maps in Australia, the US and New Zealand has shaken the property portal world. It is expected that Google Real Estate will make an appearance in the UK and German markets shortly.

Last week we published our initial thoughts on [what the launch of Google Real Estate will mean for the existing portal sites in Australia](#). These thoughts are equally applicable for portal sites around the world. Having followed the debate about Google Real Estate and its potential impact on portal sites, we thought it would be good to outline what we believe has to fall into place for Google to truly impact the property portal market leaders around the world.

Management of Spamming, Scamming, Phishing

A key challenge for Google is managing active abuse of the free listings site. Given that anyone can upload listings to the Google Real Estate section, it will be only a matter of time before false listings are uploaded to gain clicks and leads. It will not be hard to imagine false listings being loaded to secure potential buyer leads and then these leads being sold back to the estate agents. Google already experiences this problem in its normal search results where a range of techniques are used to get to the top of the search and to capture clicks which are then monetised in a number of ways. Craigslist is a great case. Agents in New York took advantage of free rental listings on Craigslist leading to numerous repetitive and false listings. The solution that Craigslist eventually employed was to charge for listings on the site. It is not clear how Google will tackle the same problem.

Building a Comprehensive Database of Active Listings

If major portal players decide not to upload to Google in key markets, then Google will face the challenge of sourcing enough active listings to provide the consumer with a comprehensive experience. Sourcing listings may be challenging as Google will be reliant on smaller portal sites, software providers, individual agents and franchise groups for listings. Given agents are not always proactive and Google is unlikely to employ direct sales method, it may be challenging for Google to build enough awareness amongst agents to build a comprehensive database of listings. Therefore it may be tough for Google to build a comprehensive database equal to or better than the market leader. If this happens, consumers may not switch from the incumbent sites to Google.

Ensuring Listings are Up To Date

This issue is closely related to the spamming and phishing discussed earlier. Old listings are problems on any portal site and for Google it will be no different here. Agents are notorious for leaving old listings up on portal sites (and even in their shop windows) as a way to capture buyer leads for redirection to active listings. A simple search of Google Real Estate already uncovers out of date listings on the site. Property portals handle this situation by either displaying listings in date entered order or they allow the consumer to sort the listings from newest to oldest. Portals also employ algorithms that ensure that agents don't game the system by taking listings off the market and then immediately putting them back on so that they go back to the top of the search.

Management of the Same Listing from Multiple Sources

Google is likely to source the same listing from multiple places. They may get a listing from the agent, the franchise group site, and potentially several portal sites. The question is how Google determines which listing to display first. They have probably already developed an algorithm to determine which listings to display first. However, the agents, franchise or most likely the portals, will work to understand that algorithm and therefore compete to ensure that their listings are displayed first. This already happens with the main Google search. There may also be the challenge of the same listing being on the site at different prices. It will be interesting to see how Google handles determining the most credible sources.

Driving Significant Traffic But Not at the Expense of Revenues

An interesting challenge for Google is how to drive significant traffic to the Google Real Estate section while maintaining the PPC revenues it already captures from real estate related searches. Historically, consumers went to Google, entered a search for property and then were presented with a list of sites they could click on. Most people clicked on the natural search results while some clicked on the paid search results and therefore Google made money. To drive traffic to the Google Real Estate site, Google will need to think about how it promotes the site. The obvious way is to incorporate the listings on Google Real Estate into the search results. However, while this will drive significant traffic to the Google Real Estate section, it will probably take away PPC revenues as consumers no longer need to click to the paid search results. Google will be able to put PPC search results around the listings, however as consumers are looking for houses, they will be less likely to click on the PPC search results. This approach may actually give better results for consumers however it may drive less revenue for Google.

Building Applications Consumers Expect

Consumers have come to expect a range of applications from portal sites as part of their overall experience. These include email alerts, saved searches, comparisons and so on. Google will have to build these out to provide the consumers with a comparable experience to existing market leaders.

Agents Ceasing to Use the Incumbent

Finally, for the existing market leaders to be truly impacted by the presence of Google, agents will need to stop spending or significantly reduce their spending on the existing portals sites. This is unlikely to occur as these existing portal sites are still cheaper than alternative advertising opportunities (i.e. print) and they are still driving significant traffic to the agents. It is unlikely that agents will forego quality leads to save a relatively small amount of money.

Agents may stop using the smaller paid for portal sites as Google may be seen as a substitute for them.

In addition, in some market, agents actually use online marketing as a profit centre. Where agents receive vendor paid advertising, agents sometimes on charge the cost of online advertising at a rate higher than they actually pay the portal site.

1. [Real Estate Added to Google Maps – What it Means for Australian Property Portals](#)

In Australia and the US, Google has added properties for sale to its mapping site – maps.google.com. Users of Google Maps are now able to see a selection of homes for sale and rent plotted on the maps. These homes for sale seem to be sourced from Google Base – Google's classifieds engine. It is free for anyone to upload a listing and this can be done through an online interface or through an XML data feed. The inclusion of property listings from Google Base onto Google Maps has some parts of the Australia real estate world abuzz with thoughts of the end of market leaders' realestate.com.au and domain.com.au. However, while this launch is new and innovative in the Australian market, a lot has to fall in place before realestate.com.au and domain.com.au are truly affected by the "entry" of Google into the Australian real estate advertising scene....

2. [Real Estate Search on Google Maps](#)

Today Google added property listings to its already extensive range of features for Google Maps in Australia....

3. [Is Google Personalized Search A Threat To Real Estate Websites](#)

propertyportalwatch.com welcomes a guest post from Nicholas Marr on how Google's new search could spell bad news for online agents....

4. [Google Real Estate – Hot Topic at Property Portal Watch Workshop](#)

The recent launch of Google Real Estate in Australia, the US and New Zealand has led to hot discussion amongst commentators, property portals and the industry. Questions are being raised on what the real impact will be for property portals around the world. As it looks like Google Real Estate will soon launch in UK and Germany, the discussion will just get hotter. The question on whether Google is a threat or perhaps an opportunity to leverage will be a hot topic of discussion at the Property Portal Workshop on August 4, in San Francisco It is a rare opportunity to be able to discuss this and other vital issues facing property portals with more than 50 portal operators from all over the world already registered – don't miss out on being part of it!...

5. [Google – Friend or Foe?](#)

Whether we like it or not, Google is a powerful force on the internet and for most businesses, they are a key driver of traffic. Many portal sites around the world receive more than 30% of their traffic from searches done on Google. Therefore, it is not surprising that property portals around the world are asking the same question – is Google a real threat to my business? What these property portals fear most is that Google will openly compete with them in providing listing advertising for agents – thus making the portals almost irrelevant. We see this concern in the survey results we have on Property Portal Watch in which 50% of respondents believe that Google can replace property portals or will strongly compete with them. Therefore is Google really a threat for property portals or will it continue to be a friend and drive traffic?...

MEER WETEN?

Bekijk ook eens onze website

<http://www.tilburg-taxatie.nl>

