

Deconstructing Car Buying Engagement Model:

- Finally finished first pass: 01/16/11 MLK weekend!
- LATEST TEAM CORRESPONDENCE:
 - Hi Bill, how about a phone catch up this coming week?

The VRM in real estate conversation seems to be springing to life. In fact I can also contribute to that; Mydex has developed an app during our prototype process that allows an individual to integrate/ manage data on their home. The short version of what this means is that when the individual is in the driving seat, this enables the richest, deepest broadest view of a property available to be put together, and made available for buyers or agents to engage with. In essence this is plumbing for VRM in real estate rather than an actual end user app, but it's important.

Anyway, let me know when suits for a catch up call.

Cheers

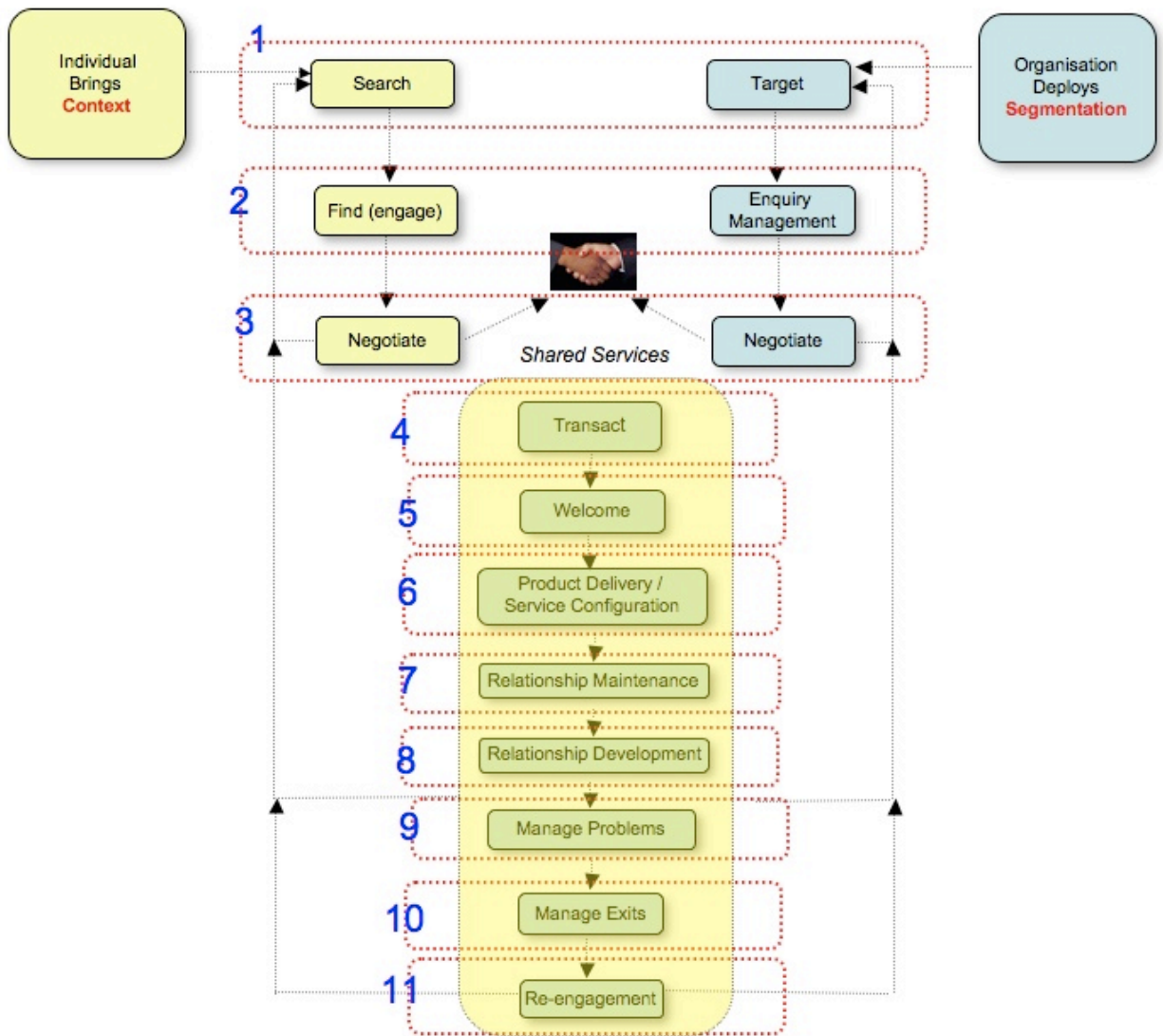
Iain

- [Buying a Car](#)
 - 11/19/10: Insert link for original article
 - Scenarios for the buyer and seller based on Iain Henderson's ten steps of customer relationships: informationanswers.com

I/J: We have chosen this complex scenario deliberately as it allows us to cover a wide array of VRM/ VPI requirements in the one end to end customer experience - in the full knowledge that there is a lot of guesswork and waste for both parties within this scenario.

- 11/19/10: Should I try to highlight where the waste is for both parties, buyer and seller?
 - [What about waste for professionals on both sides of the transaction: buyer agent and seller agent?](#)
- I/J: Just to set that in context, a car manufacturer in current 'CRM' mode might easily expect to spend £1,000 or more in marketing spend to acquire a customer for a low to mid end vehicle. A car insurance provider might easily spend £100 or more to acquire a customer for their insurance, and if that customer leaves after 1 year....then they are loss-making throughout....
- reVRM:
 - [Has anyone tried to aggregate the marketing costs for each of the players in the real estate transaction?](#)

Deconstructing Car Buying Engagement Model:



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- □ Ask Julie Garton-Good?
- □ Search Realtor.com
 - □ Post question on Twitter.com?
- □ reVRM vs Car:
 - □ Both include financing component, but much more at stake in mortgage market
 - □ Willing to pay more per lead?
 - □ Ask Steve Kropper about marketing costs to acquire mortgage lead
 - □ **02/21/11 Update:**
 - □ Sent this message to a fellow real estate tech pioneer, Steve Kropper, founder of Bank on Real Estate, Inc. Steve launched several products and companies in the mid to late 1990's that eventually led to the creation and sale of www.domania.com—default.aspx
 - □ Good morning, Steve,

A business question:

Has anyone tried to aggregate the marketing costs for each of the players in the real estate transaction?

ie. How much do lenders pay to ACQUIRE a new lead?
How much do they spend converting that lead into a mortgage?

Do you know if the same kind of info existings to acquire a buyer or seller, then convert them into a closing / commission?

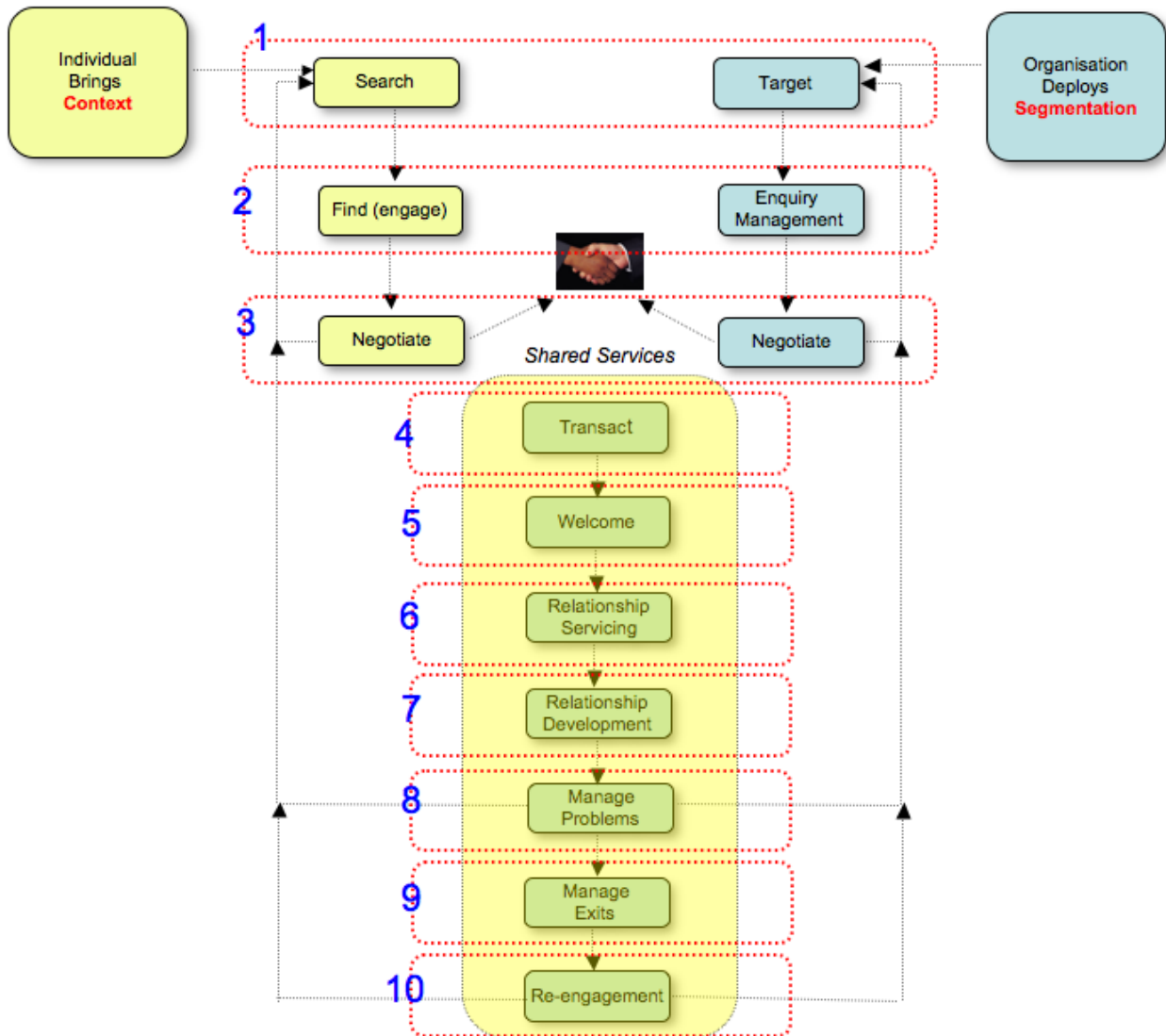
Given your work 15 years ago with the HomeSaleLine (correct name?), my guess is that you may have the best historical perspective on that and the answers may be somewhere in your speeches or past writings on <http://www.bankonrealestate.com>.

Deconstructing Car Buying Engagement Model:

I have a conference call at noon today and plan to share your link, and can attribute any info you provide to the participants in the call. We are working on the PDF attached here: <http://kantarainitiative.org/confluence/display/~realestatecafe/Real+Estate+Cafe>

Bill

- NEW Diagram above includes 11 steps
 - 11/19/10: What's changed? Why?
 - 11/19/10: Does new step 6, product delivery / service configuration, relate to open ended nature of fee-for-service?
 - Similar to the ones HUD, Fannie Mae and others use in first time home buyer classes
 - Has the original article on Car Buying been amended?
- OLD diagram only includes 10 steps

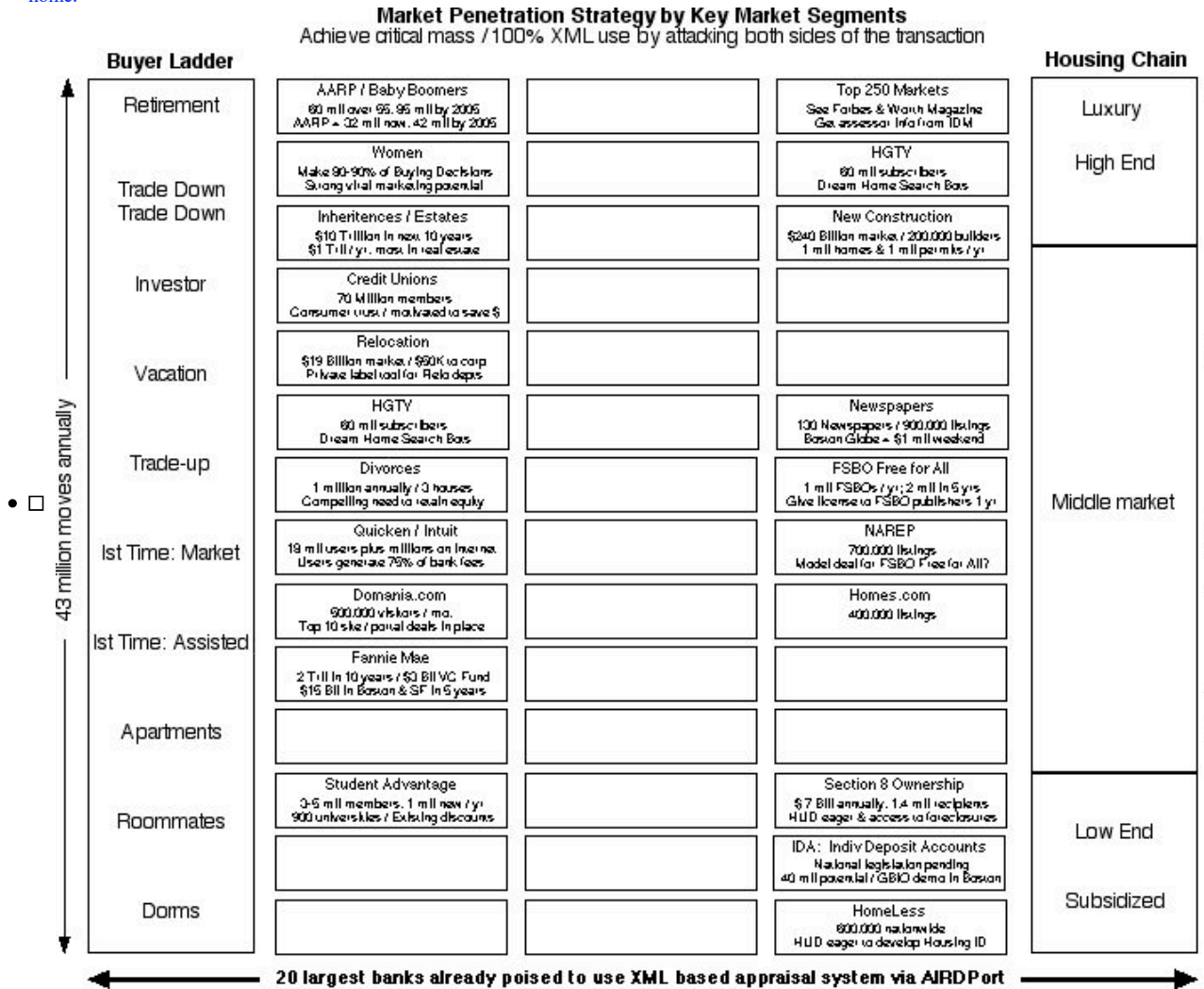


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- Surprisingly similar to diagrams from HomeSearchID done in 2000!
 - See examples already included in "Is RE ripe for VRM?" slide show on SlideShare.com
 - 02/21/11 Update: Slideshare: Is RE ripe for #VRM? slidesha.re—Ripe4reVRM
 - If not recreate the OLD RE Cafe / HSID diagrams
 - BW: Ask I/J what drawing programs they recommend for Mac users
 - See if anyone else has diagram of real estate transaction online
 - 02/21/11 Update: Is it worthwhile updating / expanding the #reVRM slideshow after reviewing this list?
 - www.1000wattconsulting.com—1000wattindex
 -
 - Background
 - Sally's car lease is expiring, so she researches, processes the paperwork for, and acquires a new car. The primary vendors are all UD-VPI enabled, only the bureaucratic functions require legacy integration. As Sally progresses through this use case, she maintains her data in a personal datastore, under her control, sharing such information as needed. Sally is a salesperson and often drives her car to visit customers (and potential customers)

Deconstructing Car Buying Engagement Model:

- Buying a Car (a hybrid vehicle in London).
- 11/19/10: Is home buying a much more complicated process, which plays out over a much longer timeframe?
 - [Realtor.com or someone reporting that house hunt online begins 18 months before buying \(source\)](#)
- reVRM: Makes me think of Rent vs Buy, first step in the home buying decision
 - Very important now because sites like Trulia are identifying cities where it make more sense to rent than buy
 - 02/21/11 Update: Read high profile stories about "Renter Nation"
 - Rent vs buy decision is much more important than in past, and will become even more important as the US government backs away from homeownership and puts millions into rental housing.
 - Implications for #reVRM: Personal data store begins with first step in the housing ladder, renting or even roommates, not the decision to buy first home.



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- [Individual Scenarios \(original generic 10 steps list\)](#)
- 1. Search
 2. Find (engage)
 3. Negotiate
 4. Transact
 5. Welcome
 6. Relationship Maintenance
 7. Relationship Development
 8. Manage Problems
 9. Manage Exits
 10. Re-engagement
- 11/19/10: (new list with 11 steps)
 - 1. Search
 2. Find (engage)
 3. Negotiate
 4. Transact
 5. Welcome
 - NEW 6. Product Delivery / Service Configuration

Deconstructing Car Buying Engagement Model:

- 7. Relationship Maintenance
 - 8. Relationship Development
 - 9. Manage Problems
 - 10. Manage Exits
 - 11. Re-engagement
 - 11/19/10:
 - Is it fair to assume this list refers to home buyer?
 - If so, then two phase transaction?
 - Buyer searches for buyer agent first?
 - If singling out buyer agent, is there a third list as well, involving the search for a mortgage?
 - 02/21/11: Mortgages are the leading edge of the trillion dollar industry yet, based on the stats below, are grossly inefficient. Shows why the attention economy does NOT work, and why the intention economy should be embraced by vendors interested in reducing costs, increasing profits. From bankonrealestate.com
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 - " When buyers visit lender sites, they leave no trace. Registration rates are below 2%. You can't market to these anonymous visitors. "
 - Bridging the Gap
 - Web leads convert at 3%. Traditional leads convert at 15%. Many loan officers feel burned out by this new media. Bridging the gap requires:
 - 1) Identify the hot prospects (20% of leads), the 'near term' transactors, and respond urgently with an outbound call.
 - 2) Incubate the warm prospects (80% of leads) with a sequenced email campaign of for sale listings.BoRE does not deliver raw Web leads. All prospects are incubated before they are distributed.
- Buyer searches for properties without buyer agent?
 - Isn't the home seller a buyer, too, at least to the extent that at some point, the search for a listing agent to help them?
- 02/21/11: AGENDA revisit this question: Which of these we are trying to explore in the real estate engagement model
- reVRM: What are the real estate equivalents of these steps? (Same as diagram above)
 - What are steps when individual refers to home buyer seeking buyer agent?
 - What are steps when individual refers to home owner seeking listing agent?
 - On the other side of the transaction, what are the steps when listing agent seeks buyers?
 - On the other side of the transaction, what are steps when the buyer agent seeks buyer clients?
 - On the other side of the transaction, what are steps when the home owner (FSBO) tries to find a buyer without an agent?
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- Compare to MY steps in the home buying process?
 - Which framework should we use:
 - My Steps in the home buying process or car buying model?
 - 11/19/10: Does new step 6, product delivery / service configuration, relate to open ended nature of fee-for-service?
 - Similar to the ones HUD, Fannie Mae and others use in first time home buyer classes
 - 11/19/10: See how other leading RE sites diagram transaction
 - See if 1000Watt organizes new product eco system with any system that could be relevant
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- Vendor Scenarios- original 10 step list
 - 1. Target
 - 2. Enquiry Management
 - 3. Negotiate (v)
 - 4. Transact (v)
 - 5. Welcome (v)
 - 6. Relationship Maintenance (v)
 - 7. Relationship Development (v)
 - 8. Manage Problems (v)
 - 9. Manage Exits (v)
 - 10. Re-engagement (v)
 - 1. Target
 - 2. Enquiry Management
 - 3. Negotiate (v)
 - 4. Transact (v)
 - 5. Welcome (v)
 - NEW 6. Product Delivery / Service Configuration
 - 7. Relationship Maintenance (v)
 - 8. Relationship Development (v)
 - 9. Manage Problems (v)
 - 10. Manage Exits (v)
 - 11. Re-engagement (v)
 - reVRM: What are the real estate equivalents of these steps? (Same as diagram above)
 - 11/24/10: Assume simplified case study: listing agent representing seller

Deconstructing Car Buying Engagement Model:

- 11/24/10: OR assume simplified VRM empowered FSBO (for sale by owner) hiring vendors on fee-for-service basis
- 11/24/10: Diagram when buyer agent is the vendor
- 11/24/10: Diagram when the listing agent is the vendor
- Note: Buyer agent has different scenario than listing agent
 - Further, "traditional full-service" listing agent has different scenario or steps in the process than listing entry only, or for sale by owner transaction
 - 11/24/10: Notes above dated 11/24/10 reflect this!
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- Individual Scenario Details
- 1. Search
 - Sally has an idea of what she wants, but not yet a specific make & model. Previously, she had a sports car, but she has a child on the way and is looking for something a bit more child-friendly. Her hubby - who does a lot of driving on his own - wants a good sound system with MP3 capability. Both would appreciate an environmentally friendly car. She researches around online and off, using dealer's sites, manufacturer sites, review sites and her own personal recollections. When she visits her Credit Union, she finds out she's eligible for a great rate on a new car loan. She keeps tracks of her research activity and findings in her personal datastore.
 - reVRM: Example above mixes a variety of things, her search, his (husband's) search criteria
 - Personal preferences, style of car, features (MP3), shopping sites, financing, personal data store
 - reVRM: Could do a similar step for homebuyer, but would prefer to disaggregate steps in the homebuying process
 - e.g. separate financing from neighborhood preferences and housing preference
 - 11/24/10: Easy to find or monitor best interest rate, far more complicated and time consuming to identify personal preferences, for neighborhood and housing characteristics
 - Typical house hunt is begins 18 months before purchase (Source?: TopProducer/Realtor.com?)
 - House hunt may include more than 1,000 clicks
 - RECAfe & reVRM: PostMLS options / Proactive house hunting
 - Sites like SpatialMatch.com allow buyers to search 100% of existing inventory, not just what's listed on the MLS
 - Propose two models
 - Reactive home buying: Existing MLS approach
 - Proactive home buying: Everything for sale at the right price at the right time
 - Introduce intention (core concept in VRM)
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 - 2. Find (engage)
 - After a bit of work, Sally starts to feel like she has a good sense of her options, and decides to visit her local Prius dealer for input. She finds the dealer online and arranges a test drive, providing anonymized, financial credentials provided by the Credit Union which has offered her a loan - these credentials don't specify the amount of the loan, but do verify her ability to pay within a certain range. Her focus is now on a short list of just a few different cars and she's found three dealers and lined up two finance options. She runs the short list by her husband and her friend by sending them a link to the research she has gathered online. Armed with her research and input from her friends and family - her husband decided they should pay for the upgraded Bose sound system, she visits the dealer and absolutely loves the car. She brings home a few brochures on the car and had requested some detailed specifications for the sound system - which will be sent by mail to her home.
 - reVRM: Again, scenario above mixes product choices, options & financing, would treat as different steps in homebuying process
 - Compared to the house hunting process, the car buying process described here seems relatively straight forward, because the supply of inventory flows through dealerships:
 - Sally, the car buyer, goes to one dealership to "find" product & "engage" with a sales person
 - We are told she's found three dealers, but there is no mention of comparison shopping
 - Also no mention of the importance of time or seasonality
 - In contrast, homebuyers use time and seasonality to get the lowest possible price
 - One could argue that house hunting online, visiting open houses, & scheduling private showings would all be part of the "finding or engaging" step or subsection in a homebuying example
 - Would prefer to disaggregate and treat those as separate parts of the home buying process:
 - 2.1 Find online
 - MLS
 - Buyer initiated searches
 - Proactive house hunting
 - Buyer initiated searches
 - Buyer initiated RFPs
 - Reverse matching / seller initiated offers
 - 2.2 Find via drive bys
 - 2.3 Find via open houses
 - 2.4 Find via word of mouth
 - (Through social networks online and OFF)
 - 12/3/10: Before accepting an offer, or in two steps states like Massachusetts, before signing P&S, reVRM buyers could issue a PRFP to neighborhood where favorite property is located to see if another homeowner would like to offer them a better deal, whether their home is presently on the market or not.
 - Homeowner responses could be timed at any point in the future, rather than the pending day of the rival sale. That way, the pool of potential homes for sale would not be limited to the current MLS inventory or even homeowners intending to sell in the near future as some buyers might be willing to wait a few years for the house of the dreams.

Deconstructing Car Buying Engagement Model:

- Google key words: "residential options Paris" or just "residential"+"option to buy"
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- [3. Negotiate](#)
- Now that she knows what she wants, Sally gets a quote from several vendors and negotiates pricing, financing, features, and delivery terms by sending a personal RFP both to vendors she already knows and two that she found online, one that specializes in online sales and one that is her local dealer. Two of the dealers are not yet "online" with the electronic personal RFP system, so they receive letters via postal mail. She reads the vendors responses online and calls one with a few questions. She confirms the deal with her husband, using his authority as a counterpoint in the negotiations.
- 11/24/10: Great model for residential real estate, and with high vacancy rates & competitive marketplace, commercial too!
- reVRM: Could a pre-approved homebuyer send an RFP to a seller? Maybe we should work with the Davis family to submit a personal RFP to the owners of 59 High St, even though it has a published sales price in the MLS.
 - The Davis family could specify which terms they are willing to adjust, and which are fixed. Other trade-offs might be possible, for example, price now versus price in January 2011.
 - 12/01/10: Wonderful opportunity to create reverse bidding war for high end clients who want to protect confidentiality / privacy
 - Great demonstration project
 - 12/01/10: See what CORELogic / 1st American has done with RealTag
 - Opportunity to monetize outside standards committee work
 - 11/24/10: Check out N-Play.com for list of criteria from seller's side
 - Identify gaps from buyer's side
 - Should be an interesting step
 - Will tools be able to replace role of human negotiator here?
 - More complex give and take, trade offs in real estate
 - Also, need ability to renegotiate price (and concessions / seller contributions) AFTER inspection
 - 12/01/10: Is there a way to integrate meaningful conversations, characteristic of markets ready for reVRM, to help buyers make more informed offers, more effective negotiations?
 - Links to Joseph Cummins book, Not One Dollar More
 - Harvard Negotiation Project (send to John Davis earlier this year)
 - 12/01/10: Follow-up research
 - How well have price expectation sites done?
 - Check one partnered with ZipRealty
 - 12/3/10: Could 2nd opinion functionality be built into negotiation process?
 - See step 8.a below
-
- [3.a. Participants](#)
- - 4th Party RFP Broker, MyPal.
 - Chryota
 - Dealer
 - Added-Value Service Provider

Sally fills out a PRFP template using MyPal's iPhone app. She pulls in details from her prior research, specifying the following terms:
- 12/01/10: reVRM: Search criteria could be based on Clickstream
 - See if REMinifesto included idea for how to use Clickstream
-
- DEAL TERMS (What she wants to buy)
 1. new 2010 Chryota Prius
 2. enhanced surround sound system
 3. standard Chryota kids package (car seat, etc.).
 4. custom color: Nemo Orange w/ stripes (semi-structured)
 5. purchase within 1 week
 6. delivery in 2 weeks after purchase
 7. drop off at her home
 8. Target Price \$22,000 (\$10,000 cash deposit, balance on delivery)
 9. Buyer's financing (credit union loan for balance)
 10. DVLA & Congestion permit paperwork (unstructured)
 11. No Insurance (she already has it)
 12. No convertible
-
- reVRM: Could be very complicated, detailed search could include 300 MLS variables
- 11/24/10: Should reVRM model include a target price, or give buyer option to let seller respond without so competing sellers can lower their price, and trade off terms, reverse auction / reverse offer styl
 - 12/01/10: RECAfe to Do: See if there is a way to use N-Play model to design transparent buyer centric bidding platform so sellers can sent competing reverse offers to buyers, LOWERING prices, and / or offering attractive terms, other incentives
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- DEAL TERMS 2 (How she wants to buy it)
 1. Recipient Criteria
 1. Sally starts building a whitelist of recipients by searching at MyPal through a list of Authorized Chryota Dealers within 25 miles of

Deconstructing Car Buying Engagement Model:

her home, and adds a few from a search of within 50 miles of her sister's. MyPal's interface indicates one or more dealers have been excluded due to Sally's personal blacklist (as stored in her personal datastore). Sally briefly reviews that list and totally agrees: Bob's Chryota is never getting her business again!

1. Disclosure Type / Public/Private
2. Data Usage Rights for PRFP
3. Response Mechanism
4. Recordation

-
- reVRM: Interesting, have never thought of this before
 - 11/24/10: Could open this process up to different kinds of inventory / difference sources of inventory
 - See list of inventory sources for Greater Boston first developed a decade ago
 - MLS listings
 - Make me move
 - FSBOs
 - Foreclosures
 - Intention list
 - 12/01/10: Geographically based, regardless of whether existing residents have any intention of moving!
 - 12/01/10: Builders / developers / policy makers have better idea of demand by price, location, to build housing for next generation
 - See wishlist functionality in reVRMinifesto
-
- [Recipient Criteria](#)
 - reVRM: Does this refer to Deal Terms outlined above?
 -
- [Data Usage Rights \(Standard Information Sharing Agreement\)](#)
 - 1. purpose
 - 2. duration
 - 3. responsibilities & liabilities
-
- [Response Mechanism](#)
 - reVRM: No content on original site
 -
- [Recordation](#)
 - 1. Digital Receipt
 1. Receipt for transaction loaded into personal datastore.
 2. Title Transfer record.
 3. Registration date & #.
 4. VIN (Vehicle Identification Number)
 5. all the details needed for the transaction.

MyPal generates a custom URL for the Personal RFP and posts a brief notice at Sally's direction to Twitter and Craigslist. That URL is opaque, i.e., not containing any sensitive information, and the ultimate PRFP is only displayed to those parties who meet Sally's recipient criteria, namely either an Authorized Chryota dealer (as determined by the Chryota Dealer IDP Service) or a white listed party known to MyPal (Sally found Cars.com through the MyPal interface).

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- 11/24/10: reVRM: Does this mean that no private parties viewing PRFP on Craigslist & Twitter can respond?
-
- [4. Transact](#)
 - Makes a commitment to a particular deal with a particular vendor, signs the paperwork, and arranges for delivery. **Having completed the deal, a 'digital receipt' confirming the transaction and the asset exchange is sent to Sally for her to log in her personal data store.** She handles all the regulatory compliance: insurance, parking permits, congestion fees, etc., on her own, rejecting the overpriced options suggested by the vendor and using her personal datastore to streamline the process.

Sally also links her Insurance company to her personal datastore (note: what data is provisioned?) and the insurance company.... As part of that deal, the insurance company commits a non-repudiatable signed claim of good standing every year.

[needs cleanup]

-
- 11/24/10: reVRM: There are a number of comparable steps in the homebuying process which have been integrated into variety of transaction management platforms, eg. SureClose.
 - [Need to review some of them to see what kind of bid mechanism is built into them](#)
 - [Additionally, need to see how Closing.com handles price quote process](#)
 - Can their savings be replicated using reVRM
 - Can their system be integrated into VRM solution
- 12/01/10: First use of the word, Personal Data Store?
 - [Is RealTag.com already a stealth Personal Data Store to listing agents can use to identify strength of homebuyers?](#)
 - [realtag.com—about.htm](#)
 - [Interesting functionality in car buying example: Buyer implements their own transaction](#)

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- Do any of the transaction management platforms allow that now?
- See if I can find a diagram of all of the post offer / pre-closing process on transaction management platforms
 - Which can buyer do on own?
 - What can seller do on own?
 - What elements can be imported into process from buyer & seller personal data stores?
 -
- 5. Welcome
 - She takes delivery at her home, gets the key the car and a brief orientation to the vehicle (she wishes she was going to the Landrover training experience) and service requirements. Sally activates her secondary services, such as GPS and online maintenance & service record. She confirms her home and work locations for her geo-based services and syncs her iPhone with the car's stereo system. Sally selects emergency and manufacturers technical notifications only, because she doesn't want to be bothered by sales junk mail messages. She also chooses to share her model #, car information, and contact information with Bose, based on Bose's verified assertion that they have signed the Kantara Standard Terms of Sharing Version 1.0 and agreed to those terms for this relationship. As part of signing up with Bose, she reviews the information they are requesting, what they agree to do - and not do - with that data, and how long they propose to hold the data in their system.
 - 12/01/10: Interesting step, relates more to homeownership than homebuying process
 - Some steps require actions before closing, like utilities
 - Other steps could be start of long relationships that span years of homeownership
 - eg. Oil or gas supplier for home heating
 -
- 6. Relationship Maintenance (Data Quality)
 - About one year after receiving her new car, Sally and her husband move to Redding, a nearby town with a different dealer. Using her personal datastore, she informs her online vendors of her pending move, including the old auto dealer and Chryota, the manufacturer, as well as the Drivers & Vehicle Licensing Agency (DVLA), which gets an email from the personal datastore. On her dashboard, she can check to see which suppliers have confirmed receipt of the new information. Unfortunately, the DVLA doesn't respond. As a value-added service, her personal datastore provider offers an auto-generated PDF that Sally can print, sign, & mail to DVLA with the requisite information. At about the schedule time, Sally and her husband actually move and she checks in with the dashboard to both confirm the transition and to verify which vendors have her new information. Those vendors who are fully integrated with the personal datastore have electronically confirmed the new address. A few of the government agencies have requested a validated change of address, so Sally directs her personal datastore provider to provide the appropriate agencies with the Verified Change of Address (Identity and Data Assurance Level 2 - UK ... matches US level 3) see NIST 800-63 for related identity assurance standards.
 - 12/01/10: Nothing comparable in real estate, because location is fixed
 - However, need to ask what other relationships need to be maintained?
 - What other kinds of data need to be archived in personal data store after a year?
 - Energy costs
 - Annual cost of homeownership
 -
- 7. Relationship Development
 - 7a.
 - In response to her change of address, Chryota also notifies Sally, via her dashboard, that there is a new local dealer who might be more convenient. Sally does some quick research on the "new" dealer, who has a good trust rating and good comments from users. Sally accepts Chryota's recommendation and provisions the new dealer for access to her car's service and data record. Upon provisioning, Sally receives a welcome message from the new dealer with a brief outline of additional services now available (they weren't offered by her old dealer).
 - 12/01/10: Developing relationships with best of breed vendors could be important growth area for real estate industry
 - May be why Realtors invested so much time and energy repositioning themselves as consumer group
 - www.houselogic.com—maintain
 -
 - 7b.
 - At the appropriate schedule, Sally's "digital dashboard" at her personal datastore provider reminds her of her maintenance appointments. She confirms the appointment online and drives in to the dealer and gets a ride back to work. Sally gets an SMS notifying her that the dealer has proposed work to be done. She logs into the digital dashboard and sees that the dealer has suggested—in addition to the planned maintenance - tire replacement because of a manufacturer warning. She does a quick search online about the notice, and decides she against it. The underinflation warning from the manufacturer is valid, but the community discussion groups (and the manufacturer) agree that most vehicles don't need to replace the tires if the vehicle is less than two years old. She informs the dealer to continue with just the scheduled maintenance. The vehicle assessment, her online research, and a record of all work done is stored in her personal datastore.
 - 12/3/10: Has anyone already created a digital dashboard for homeowners?
 - Google key words: "Home maintenance reminders"
 - eg. Google keyword search: "Planned maintenance"
 - eg. Google keyword search: "Property management for condo associations"
 - VRM spotting: Which existing real estate sites have been community re homeownership
 - See if any parenting sites, consumer sites, etc.
 -
 - 7c
 - Over the course of using her vehicle and getting it serviced, Sally learns about the Road Warrior program that the manufacturer offers to help customers who take frequent Roadtrips. She had heard about this on one of her favorite TV shows and it came up in her Twitter feed recently. She visits the manufacturer's website and signs up, pointing them to her personal datastore, and provisioning a variety of services for specific, limited access to her driving data. This information is shared under the [[Kantara Information Sharing Agreement]].
 - 12/3/10: reVRM:

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- Last year, someone in audience at ConnectNY asked about creating an MLS search field related to "Annual homeownership cost"
- Components would include:
 - Hard costs
 - Energy costs
 - Property taxes
 - Exterior maintenance
 - Interior maintenance
 - Amortized cost of necessary improvements
 - Kitchen makeover
 - Bathroom makeover
 - BENEFIT: Identifying and minimizing the hidden costs of homeownership would make a home more attractive on resale market
 - Soft costs or lifestyle costs
 - Proximities
 - Commuting costs
 - Out of pocket
 - Public transit
 - Cost of car ownership (loan, insurance, maintenance, repairs, gas)
 - Opportunity cost (time)
 - eg. Hour on train
 - eg.
 -
- She authorizes anonymized use of her usage data for civic planning and road maintenance.

Provisioning Terms for Civic Planning and Road Maintenance:

1. Data set
 1. Driving data
 1. Space-time travel (location & time while driving)
 2. # Passengers
 3. Type of car (Make, Model, Year)
 2. License Term
 1. License Term (duration): 1 year
 3. Use
 1. Use: civic planning and road maintenance
 4. Retention
 1. immediate use
 2. planning
 3. archive
 5. Propagation
 1. No propagation other than exceptional circumstances as defined in the KISA.
- [“Anonymized” needs further definition]

- 12/3/10: reVRM
 - Authorizing use of data for civic planning would be great!
 - Potential uses
 - Energy planning
 - Transportation planning
 -
- She also provisions the manufacturer for access to her “roadtrip” travel dates and in-car location information for use by the Road Warrior Program. And she requests “speed trap” notifications, construction alerts, amber alerts, and emergency alerts. Finally, she approves identified use for smart offers from her list of approved suppliers when she’s in their neighborhood.

Sally’s unique ID in her driver’s key logs her into the Road Warrior system when she drives. As she travels, occasional relevant notices appear on the dashboard interface. Sally also has the pleasure of knowing her usage data is being smartly utilized in an anonymous fashion to help manage and develop the roadways.

- 12/3/10: reVRM: Love idea of Smart Alerts, wonder what real estate equivalent would be!
 - Could be related to cost of homeownership
 - Could be related to quality of life
 - See if Richard Florida has developed anything that could be turned into Smart Alerts
 - Savings opportunities would be modest compared to the "value" of a higher quality of life
 - Use LM as an example?
 -
- 7d Personal RFP integrated into GPS
 - On her way home from a customer visit, Sally asks the Road Warrior Negotiator interface to find her a good spot to fill up the tank. The system analyzes her route and sends out a personal RFP to those stations within 1000 feet (1/5 mile). Those online respond with a customized bid for gas. For those not online, the Road Warrior system responds with their known pricing data [Q: where does this data come from today?]. She

Deconstructing Car Buying Engagement Model:

picks one and a visit to that station is calculated into her route.

[]

On her drive, she stops and gets the gas...

- Another: husband has different road warrior preferences and doesn't want to be notified of the stuff she has.
- 12/3/10: Another exciting opportunity to use VRM to reduce the cost of homeownership, or improve quality of life
 - Could use for furniture or appliances
 - But nothing as frequent as buying gas?
 -
- 8. Manage Problems
 - [8a. Problem with the Engine \(2nd opinion\)](#)
 - There is an engine malfunction. Unfortunately, the repair company says the problem isn't covered by warranty. In response, Sally sends the diagnostics from the repair company and the vehicle maintenance history to an expert for a second opinion. The expert reviews the information points out that this is a common problem (with that engine) and identifies the intermediate repair in her history that actually reset the warranty to another 3 years, so the current repair /is/ under warranty.
 - 12/3/10: Good example of system related emergency in the average household, particularly in older communities
 - Do home warranty companies already offer this kind of functionality? Built in 2nd opinions?
 - Review brochures from NAR 2010 convention, and web sites
 - See what group in Canada is currently doing (mentioned by Ralph Nader in 1993)
 -
 - [8b. Escalation](#)
 - From the Road Warrior interface, Sally escalates this problem directly to Chryota. She explains the issue, specifically provisioning access for Chryota to view the repair company diagnostics, her maintenance record, and the expert review. She selects from the drop down list for her issue, "Other", and fills in the text block as "Warranty Dispute".
 - 12/3/10: My guess is that something like this might exist for new construction, or major renovation projects
 - See what kind of software solutions already exist by visiting appropriate sites
 - National Association of Home Builders
 - National Home Improvement Contractors (ask Jared)
 -
 - [8c. Resolution](#)
 - The message is tracked into Chryota's CRM system and is received by a customer support representative. The representative is directed to Sally's inquiry. Based on the description, the CRM system has suggested five possible issues from the Chryota knowledge base. The representative reviews the data from Sally and finds the appropriate business rule. The representative checks the criteria for approving the repair and determines that Sally's case is, in fact, covered by the warranty. This determination is recorded in the CRM system and communicated back to both Sally and the repair company provider. The repair company gets the message and sends confirmation to Sally that the repair will be handled free of cost to her and that she can come pick up the vehicle after 4PM today.
 - 12/3/10: Can imagine an entire "tree" of options here, organized by building component, then manufacturers
 - Personal data store could be for homeowner as well as property!
 - Particularly important where property is a multi-family and buyers are responsible for reserves
 - reVRM: Part of home inspection in future would involve access to Property Data Store (coin word)
 - Does such a model already exist?
 - View site sent by Iain
 -
 - [9. Manage Exits](#)
 - [After a considerable time, or any number of problems, Sally quits the relationship.]

Alternative endings:

 1. Problems, exit
 2. Car stolen
 3. Car totaled
 4. End-of-product-life, exit
 5. End-of-life, exit
 6. Changing personal needs, exit *(we'll do this one) Sally chooses a non-Chryota vehicle.
 - Data retention, expulsion, extraction/export, communication permissions
 - 12/13/10: reVRM
 - Find diagram from "Is RE ripe for VRM?" showing housing ladder
 -
 - [9.a Changing personal needs.](#)
 - After two years with the vehicle, Sally is delighted to learn she's going to have another child; she and her husband realize they'll need to move on from their cute little hybrid and invest in a [dreaded] mini-van! Sally visits the new recommendation service at Edmunds.com, giving them access to her car-related data and specifying an interest in a larger, more family friendly vehicle, like a mini-van. After analyzing Sally's history, including travel data and maintenance record, Edmunds recommends a short list of possible vehicle types: a Forche mini-van, a Chryota Cruiser, and Sundai mini-van. Sally reads the brief description of the Forche and is excited they might be able to keep a little bit of pizazz in their mini-van and selects that option. Edmunds displays five vehicles currently available for sale within 25 miles of her home, all with reliability and quality ratings

Deconstructing Car Buying Engagement Model:

(these are all Edmund's backed claims, themselves derived from Edmund's own analysis). Sally starts a new relationship with Forsche (repeating the Customer-Supplier Engagement Model).

- 12/13/10: reVRM
 - Sounds like trade-up buyer scenario discussed with Iain & Joe
 - Edmunds equivalent: Which real estate website is a trade-up buyer most likely to visit?
 - Recommendation engine more complex for homebuying because location-based
 - Current best of breed for neighborhood / quality of life?
-
- 9.b Insurance
 - For the new car, Sally uses her personal datastore to comparison shop for insurance. She authorizes InsuranceTree to analyze her personal datastore and match her with potential insurance offerings. InsuranceTree produces a set of certified claims such as Annual Mileage, Maximum Speed, Consistent Maintenance Record. As part of that process, InsuranceTree asks Sally for permission to retrieve her driving record from the DVLA and uses the resulting information to generate a Good Driving Record claim. These claims are combined with Sally's zip code, the new vehicle type & history, and publishes a "personal RFP" and additionally authorizes InsuranceTree to check the market every six months and contact her with an update on current offers. From the respondents to the RFP, Sally selects a new insurance company and begins a new relationship with that vendor (returning to the top of the Engagement Model).
 - 12/13/10: Home Insurance?
 - Good Driving Record equivalent for home owner?
 - Home insurance claim history?
 - Like automatic updates every six months!
 - Does any site currently have an equivalent functionality?
 -
- 9.c Selling her old car
 - 9.c.i
 - Sally takes her old car in to her automobile association to get it certified. They review the historical data from her personal datastore and perform a 72-point physical inspection, generating a certified claim of quality for her vehicle. In addition, the association's certification's reputation is rated at 97% quality by Edmunds, which is also provided as a signed claim attached to the certification (Edmunds is managing the reputation verification and dispute resolution). Sally reviews current comparable sales at the DVLA auto sales historical database, looking at similar cars by models, condition, and location to get a sense of the market's most recent pricing for cars like hers.
 - 12/13/10:
 - Pre-listing Home inspection
 - Pre-home warranty inspection
 - Pricing equivalents
 - Zillow
 - RPR
 -
 - 9.c.ii
 - Sally then uses her personal datastore as a transparent agent, offering her car for sale to Craigs List, with a link to the offer for sale and the related auto claims (condition, mileage, driver rating, etc.) using a unique permalink for the offer. The post at Craig's List indicates that interested parties should contact Sally through her personal datastore, listing the interfaces currently supported by the datastore provider, namely email, voice mail (via POTS), and skype. Sally configures the datastore to notify her by SMS when it hears from interested buyers. After a flurry of TXTs, Sally revises the preferences to send an email instead.
 - 12/13/10: FSBO equivalent
 - Use Fizber.com as model for mass syndication beyond Craigslist
 - Identify sources of data that can be aggregated via personal datastore / property data store
 - Links to public records / tax assessment records
 -
 - 9.c.iii
 - Along with the listing, Sally publishes three service endpoints to reputation reporting agencies, including an anonymized tokens capable of retrieving her reputation value. To generate those tokens, Sally's PDS registered the offer with each reputation entity, which internally associates Sally's reputation with the permalink of the offer. Buyers interested in checking the reputation of the seller of the offer can look up the permalink at the reputation providers. Also, by registering this particular offer, Sally also provisions the reputation services to include this transaction in their reputation analysis.
 - 12/13/10: Currently no reputation management for FSBOs or listing agents?
 - Zillow's new system could change that
 -
 - 9.c.iv
 - Frank contacts Sally and wants to test drive the car and run some of his own diagnostics. Frank pays Sally's PDS to request sandbox copy of the appropriate data, which is loaded into Frank's analytics service which analyzes the data and gives Frank additional information about Sally's use of the car (he wanted to see if a particular repair had already been made). He's happy with the drive, and the results of the diagnostics.
 - 12/13/10: Equivalent of homebuyer contacting FSBO or listing agent directly
 - Buyer in this example is not assisted by a buyer agent
 - Could develop two scenarios for reVRM:
 - DIY buyer
 -

Deconstructing Car Buying Engagement Model:

-
- [9.c.v](#)
 - Sally sells the car to an individual, Frank. Sally tells the Prius interface to “transfer ownership” and the car automatically terminates all active services and scrubs any local datastore to provide a clean system to Frank. (When Frank gets the car, it offers a Welcoming ceremony to initiate services and a relationship with Chryota.)
 - 12/13/10: Closing equivalent
 - Could be complex, address later
 -
- [9.d Deprovisioning Chryota](#)
 - Sally concludes the active relationship with Chryota via her dashboard, letting them know she’s gotten a new car and sold her Prius. As part of that process, Chryota offers Sally the opportunity to continue the Road Warrior service on a subscription basis, but Sally has already provisioned the Forsche service, so she declines. She also indicates that Chryota may contact her through her personal datastore for the following reasons:
 1. Satisfaction survey. Once.
 2. Future promotions. Once/year.
 3. Product research. Once/year.She also provisions Chryota indefinitely, with an annual renewal period, to access her past (Prius) Road Warrior data for aggregate analysis in the following areas:
 1. Quality assurance
 2. Usage patterns
 3. Product development[Note: it would be good to have a way that the road-warrior data is simply in the personal datastore, separating it from the Road Warrior services offered by Chryota and Forsche. We don’t highlight this particularly well, but maybe in a future rev.]
 - 12/13/10:
 - Wonderful model for proactive house hunting
 - Ability for 4th party to contact home owner once a year to update
 - HomeSearchID: Always on, dream search criteria
 - Intention to move in near term, mid-term, long-term
 -
 - [9.e Review/Endorsement](#)
 - As part of the deprovisioning process, Sally also writes a quick review of the Prius, sharing that information with Chryota and her PDS sends a RSS-style update (http://codex.wordpress.org/Update_Services) with the tag “product review”, publishing it as an hReview.
 - 12/13/10: reVRM equivalent
 - Need to think about this one
 - hReview could be interesting
 - Neighborhood review?
 - Quality of life review?
 -
- [10. Re-engagement](#)
 - 1. I want my Chryota back!
 - 2. Would you like another Chryota?Several possibilities
 1. Service provider use
 2. Contacting the Chryota dealer
 3. Responds to Product Research of Promotion
 4. Hit by a Chryota, totaling her Forsche
 5. Merger between Chryota & Forsche- 12/13/10: Hard to imagine a reVRM equivalent, but some owners may want to move back to an area where, for example, they had their first apartment after college, or lived before growing household made the relocate to the suburbs. Planning departments could also contact past residents re future housing needs
-
- [Sally’s intrigued at a product development feedback session](#)
 - During an annual product development session with Chryota, Sally gets to see and test drive a couple of the latest models. She’s particularly intrigued by a new flying car hybrid.

The car is so popular, it has a two-year waiting list. Because she is a past-owner of a Chryota she is eligible for priority listing. Chryota also offers to review her driving data to future see how aligned she might be with the target use of the vehicle--which could further upgrade her place on the list. Chryota’s analysis suggests that Sally’s usage is almost perfectly aligned with her driving habits: daily commute in 20-30 miles through traffic. Chryota also asks for permission to validate her credit, and Sally’s report comes back with the highest rating.

Because of her prior ownership, aligned usage, and platinum credit, Sally gets placed in the first group for delivery and Chryota has identified and

Deconstructing Car Buying Engagement Model:

re-engaged their ideal target customer. Sally's thrilled about the new vehicle... now she just has to convince her husband!

[Brings new data in...]

- 12/13/10: reVRM equivalent could relate to planning studies or feasibility studies conducted by small builders, large developers, etc.
-
- STOP HERE FOR FIRST PEER REVIEW?
-
- [Vendor Scenario Details](#)
- Jimmy runs customer acquisition for Chryota, the car manufacturer; he has a budget of £10m and a target to acquire customers who will buy the 10,000 cars his firm plan to make for the UK market in 2011. His 2011 plan has been set in mid 2010 and put into action through his media buying agency who have switched on all of the obvious media options. This includes his considerable web site, search engine optimisation, tapping into the affiliate networks and obvious automotive focused sites. It also includes his customer and prospect database, contact centres with multi-channel outbound and inbound contact capabilities, and a range of diverse CRM type systems out in the dealer network.
- 12/14/10: reVRM
 - [Could use a fictitious name for a traditional listing firm](#)
 - Might want to use CBRB as a model since they dominate many markets in suburban Boston, and most likely other local markets around the US
 - Alternatively, could also use a more narrow brand that focuses on luxury real estate
 -
- Jimmy knows his job is to keep filling up the top of the sales funnel, and he has the tools to do so. His role in the process finishes when the customer signs on the dotted line and commits to buying a vehicle. He has partners who help in various ways, most notably Tom, the Dealer Network Manager, who handles the management of face to face aspect of the customer relationship. Whilst not without its tensions, this relationship broadly works well with both parties making a healthy margin when that customer signs on the dotted line.
- 12/14/10: reVRM
 - [No dealer network in real estate, but broker / agent model, especially in large firm, poses an interesting parallel](#)
 - Interesting subpoints: Broker has many competing offices, and within them competing agents
 - Online leads pose a special challenge for large real estate brands - who gets referral?
 -
- Because of the rapid evolution of Internet enabled customer management, Jimmy has 5% of his budget allocated to 'innovation'. In that mode, he and his colleague Amanda who leads on customer development and retention have signed up to pilot an approach based on 'volunteered personal information'. The pilot is run by a fourth party service provider [star_yellow](#). On the surface, this approach seems to radically change how he might go about his customer acquisition task. But that's not necessarily a bad thing, because Jimmy and his peers all recognise significant challenges in the current modus operandi. They all are battling with:
 - 12/14/10: reVRM
 - [Not sure how to respond yet but like the inventory of trends below, easy to imagine similar list in real estate](#)
 - [Now I get it, customers are volunteering personal information in some way](#)
 -
 - Conversions rates from 1st contact to confirmed customer below 1%
 - 12/14/10: reVRM
 - Compare to latest stats re success of lead generation in real estate
 - Can see how 4th party vendors collecting real estate info could lead to Lead Generation 2.0 in real estate?
 - Are existing lead generation firms in real estate surviving
 - 12/20/10: What kind of personal information are they asking potential buyers / sellers to provide?
 -
 - Declining 'share of wallet' (i.e. customers buy the vehicle but get their maintenance or add-ons elsewhere (thus losing the high margin sales)
 - 12/14/10: reVRM
 - Post transaction revenue opportunities are not really relevant, however, one-stop shopping and in-house sales, where broker collects both sides of the transaction, are big deals!
 - 12/20/10: Have any of the after sale concierge vendor biz models worked from 2000's?
 -
 - Minimal uptake of their vehicle finance scheme (another high margin service)
 - 12/14/10: [See point one-stop shopping above](#)
 - 12/20/10: [Is it legal for one-stop shops to offer clients financial incentives to use their financing programs?](#)
 - If LEOs have cannibalized revenue opportunities from listings, is financing the cash cow?
 - How have firms that offered FREE listings done in recent years?
 -
 - Increased costs and regulatory burdens around sourcing, managing and using personal information
 - 12/14/10: [Not sure](#)
 - 12/20/10: [May apply to one-stop shops whose financial services cause them to come under regulatory frameworks](#)
 - reVRM: 4th party vendors will most likely automate personal info, reducing burden on reVRM pros
 -
 - Fragmentation of customer contact channels
 - 12/14/10: [Yes, plus fragmentation because of listing syndication](#)
 -

Deconstructing Car Buying Engagement Model:

- All in all they sense that their customers are becoming more empowered, have new tools to bring to the party, and that Chryota and their dealers need to react to deal with that - this pilot is designed to help shape their response.
- 12/14/10: reVRM
 - So true, interesting way to introduce reVRM as a POSITIVE solution for the vendor side, not an extension of threats that are cannibalizing the existing business model and revenue opportunities
 -
- The name given to the pilot project is **Project Hearing Aid**, the idea being that the traditional approach to the customer experience in the automotive sector is to shout the company message as loudly as possible, in order to be heard above the market noise and clutter. The suggestion behind the pilot is that Chryota listens and reacts rather than shouts - the assumption being that the potential or existing customer with needs to be met will find them IF their is an apparent good fit between the customer's need and what Chryota offer in the market place. Jimmy used to work in a business to business CRM environment, and can see the potential upsides of the approach..... spending much more of the time/ money available on 'the relationship' than on filling up the customer base via acquisition only to lose it through ignoring retention.
- 12/14/10: reVRM
 - Do any real estate brokerages currently have such a program with their buyer or seller clients?
 - Should the RECAfe?
 - 12/20/10: At a minimum, could host listening session for expired listings
 - Give participants complimentary tools, like the First American product that tracks property value
 - Begin demo with REDX
 - mail.google.com—mail
 -

• 1. Target

- Proportion of customer database who have opted out of direct marketing communications from Chryota is high and getting higher. Jimmy suspects that when they went up from one marketing e-mail a quarter to one a month they annoyed people, especially when combined with the fact that the data they have with which to personalise marketing messages is limited and prone to being out of date.

Nonetheless, Jimmy manages to get his message in front of 20,000 eyeballs per month so is hitting his marketing targets.

Jimmy's current cost to acquire a part-qualified lead is £50, he hopes his pilot will show a way to improving on that.

The first thing Jimmy noticed when the trial began worried him a bit....., because there was a definite down turn in the number of hits on his part of the Chryota web site, responses to his direct marketing activity; and his dealer network was reporting a downturn in footfall in their outlets. Fingers crossed he thought.....; I hope that Doc Searls and his crew are right, otherwise i'll be out on my ear...

- 12/14/10: reVRM
 - Is there a way to identify costs per lead for tradition listing oriented brokerages?
 - 01/08/11: Buyer lead vs seller lead?
 - What about cost per lead for mortgage industry?
 - Take a look at cost per lead for one-stop shops?
 -

• 2. Enquiry Management

- In this phase of the standard dialogue, the customer and Chryota perform a 'bit of a dance', with each party thinking they have something to talk about, but neither wanting to reveal their full hand in case they do have something to discuss, and accidentally say something that compromises their negotiating position.

Quite a few of those eyeballs (50%) usually drop out at this stage. The drop out reasons include:

- the dialogue showing that the Chryota product is not the optimum one for the customer
- better proposition development/ selling by a competitor
- the credit check

Jimmy's current cost to acquire a fully-qualified lead is £250, he hopes his pilot will show a way to improving on that.

As per the targeting stage, Jimmy got even more worried as the trial began; not only did his response rates go down....., his enquiry conversion rate also dropped through the floor. That said, he could see a steady stream of Project Hearing Aid enquiries going through the pipeline, every one a potential buyer with needs well aligned to the product offer, and the money to pay..

- 12/14/10: reVRM
 - Not sure how to respond yet
- 01/08/11: reVRM
 - Can see that car leads were five times more expensive at this point
 - If buyers are self identifying, what would the cost per lead be?
 - Are we talking about cost per buyer lead for a specific listing, or cost per potential seller lead?
 - Is there such a thing as an unqualified seller?
 - Wouldn't some listing agents say a homeowner is not qualified to sell because their price expectations are unrealistic, or if they are pre-foreclosure, the bank now controls their fate?
 - Could a lender or government agency determine buyer readiness with HSID?
 - Develop a waiting list of qualified buyers, rather than going to market through full-fee listing agents
 -
- 3. Negotiate (v)

Deconstructing Car Buying Engagement Model:

- This stage is characterised as 'qualified buyers' flagging that they want to talk (sometimes known as the Personal RFP). So this stage is about the precise shape of the deal, with both parties having a shared outcome (a purchased vehicle), with the debate being around the specifics, the cost, and the mechanics of doing the deal.
- 12/14/10: reVRM
 - Sounds like a potential seller who has already made a decision to sell, rather than one trying to identify whether the market has bottomed out, etc.
- 01/08/11: reVRM
 - Alternatively, could be a qualified buyer issuing a PRFP, like Andrea & Russ, defining their dream home selection criteria, homebuying terms
 - Go back into 2 ideas proposed during VRM conference in August 2010
 -
- This was the stage in the Project Hearing Aid pilot that Jimmy breathed a huge sigh of relief. All of those potential customers who had not needed to engage (i.e. cost him money) in the 'find' and 'enquire' stages suddenly turned up knocking on his doors wanting to talk turkey...; straight in at step 3 in the sales process without incurring the costs of steps 1 and 2. And they come in with a higher level of confidence and satisfaction and a belief that they are talking to a potential supplier for the need they have identified and articulated.
- 12/14/10: reVRM
 - Now this sounds applicable to real estate lead generation process on the listing side
 - RE Cafe: Need to identify name of the home value update program from First American & experiment
- 01/08/11: reVRM
 - Also sides like credible home buying scenario, too, enabling ready, willing & eager buyers to respond to PRFP's they issue, and then respond to sellers
 -
- So now that Jimmy knows Sally is a serious potential buyer, he can put an appropriate amount of resource into dealing with her and helping her fine tune her need/ check that versus the Chryota offering. Because he knows that Sally will already have had access to expert-shaped decision support tools, there is little point in trying to direct the discussion; it is now a 'peer to peer', potential partner relationship. The discussion notes both the factual and the emotional aspects of Sally's buying decision process.
- 12/14/10: reVRM
 - Big implications for real estate, starting with the last point, first -- so much of real estate is emotional on the buying side, but less so on the listing side -- need to think through in more detail
 - Just writing the sentence above makes me realize that I am not sure which vendor scenario I am carrying into this exercise
 - Up until this point, I had been thinking about a listing agency trying to attract a home seller
 - But this could also be about a buyer agency trying to attract a buyer client (who is emotion-driven)
 - or a FSBO, a homeowner selling on their own, dealing with an emotion-driven buyer
 - 01/08/11:
 - or a listing agent / agency, trying to find a qualified buyer for their seller client's listing
-
- As they engage in this more detailed dialogue, Sally is asked if she is happy for her feedback and decision points to be fed back into the Chryota product management function.
- 12/14/10: reVRM
 - Not sure about parallels
 -
- In practical terms, the core of this stage in the customer-supplier engagement is underpinned by a structured feed of 'personal buying data' being issued by Sally or a fourth party service provider working for her, that sets out her needs and preferences in detail. It also provides warrants where necessary, e.g. that she has the money to fund deals within a specified range.
- 01/08/11: Warrants would need to be two-sided
 - Seller would need to warrant that they have clear title to sell "their" property
 - Seller would need to warrant that they have authority to make their own decision (ie. they are not a short-sale where lender / loan committee will make decision on sales price)
- 01/08/11: Could feed right into home buying club model, need to give this more thought
 -
- Sally completes her PRFP template on the iPhone app from her 4th party service provider and hits the button that sends the PRFP via the 4th party to the PRFP gateway that Project Hearing Aid has established within Chryota. In practice this is just an instance of their SHOUT LOUD application set up with a team of 3 agents trained to deal with the specific scenario's that emerge from this pilot. Their job is part technical and part process; they need to ensure that Sally's requirements get to the people that will deal with them (including two relevant dealers who don't work online). They then make sure the dealers respond to the specific requirements Sally has set out with their base offer plus any enhancements they wish to propose to Sally. Finally, they ensure that all due responses from Chryota or their dealer network. They know full well that Sally, via her fourth party service provider is buying 'professionally', so they need to differentiate their proposal by adding value rather than confusion and price negotiation.
- 01/08/11: reVRM: Profoundly important new perspective. Need more time to think this through
 - One key point, traditional listing agents would not be the only people responding to PRFP's, others could respond:
 - Alternative listing agencies (Listing Entry Only services)
 - The opposite of Listing Entry Only services (sellers willing to engage in MakeMeMove) conversations
 - Lenders with foreclosed or pre-foreclosed properties
 - Government agencies
 - FSBOs acting on their own
 - Like the last point, traditional players will need to do more than respond re price to be competitive
- What would it take to issue a PRFP from an iPhone open house sign-in app?

Deconstructing Car Buying Engagement Model:

- Dream Functionality: After signing into an open house, regardless of whether the buyer liked the open house or not, they could post a PRFP to a social networking map after leaving any open house, or potentially seeing any for sale sign. This would allow buyers to invite homeowners in the “shadow market” to respond to their PRFP potentially opening up more attractive home buying opportunities at a lower price, because the home would be sold without incurring traditional listing fees
- Jimmy’s cost to acquire Sally as a customer has totalled £250 so far, and that was only in setting up some of the processes for Project Hearing Aid, which can be re-used time and again..
 - 01/08/11: reVRM: If someone is selling FSBO or in the shadow market, there might not be any cost per lead
 -
- 4. Transact (v)
 - In this ‘money changing hands’ stage, Jimmy completes his part of the process, and hands over to his colleague Joanna, the Chryota Customer Relationship Manager.

Needless to say all document exchange around the exchange of money for property and service is handled digitally with full back up and escrow service.

The final stage in the acquisition, is Jimmy’s chance to squeeze in a few more £’s for Chryota, if he can persuade Sally to take the ‘easy’ option of the Chryota finance package.
 - 01/08/11: reVRM
 - Since listings agents are not involved in the receipt of money, this section points at the financing process, both the deposit stage and mortgage application
 - Ideally, a homebuyer ID would take the risk out of this step and funds could be transferred easily to escrow accounts, or the equivalent of an escrow account might be built into the HSID
 -
- 5. Welcome (v)
 - Welcome =
 - thanks for doing business with us
 - here’s the ways of working we’d like you to adopt...

She takes delivery at her home, gets the key the car and a brief orientation to the vehicle (she wishes she was going to the Landrover training experience) and service requirements. Sally activates her secondary services, such as GPS and online maintenance & service record. She confirms her home and work locations for her geo-based services and syncs her iPhone with the car’s stereo system. Sally selects emergency and manufacturers technical notifications only, because she doesn’t want to be bothered by sales junk mail messages. She also chooses to share her model #, car information, and contact information with Bose, based on Bose’s verified assertion that they have signed the Kantara Standard Terms of Sharing Version 1.0 and agreed to those terms for this relationship. As part of signing up with Bose, she reviews the information they are requesting, what they agree to do - and not do - with that data, and how long they propose to hold the data in their system.
 - 01/08/11: reVRM
 - Not hard to imagine that home purchase would trigger uses of home ownership and home maintenance data not currently integrated into the home buying or selling process
 - eg. transition to electrician, service vendors for luxury condo in Boston
 - 01/16/11: reVRM
 - Not hard to imagine this scenario for new construction, either
 - Not hard to imagine that home warranty companies might lead the way in this kind of post purchase relationship management (see comment below)
 - What home warranty company is most tech savvy?
 -
- 6. Product Delivery/ Service Configuration (v)
 - The mechanical side of exchanging an asset, or configuring a product/ service for use.
 - 01/08/11: reVRM: If the homeowner has compiled homeowner manuals or product warranties on their own, they could be transferred to new homebuyers
 - Similarly, 4th parties, like Home Warranty companies could compete to provide policies, savings opportunities, and data integration services here
 - Which company exhibited at ConnectNY and why?
 - Might also be a role for utility companies here, too, showing new homeowner usage patterns from previous owner, making cost saving recommendations, etc.
 - Example of group buying discounts related to solar power: 1bog.org
 -
- 7. Relationship Maintenance (v)
 - Change of address

About one year after receiving her new car, Sally and her husband move to Redding, a nearby town with a different dealer. Using her personal datastore, she informs her online vendors of her pending move, including the old auto dealer and Chryota, the manufacturer, as well as the Drivers & Vehicle Licensing Agency (DVLA), which gets an email from the personal datastore. On her dashboard, she can check to see which suppliers have confirmed receipt of the new information. Unfortunately, the DVLA doesn’t respond. As a value-added service, her personal datastore provider offers an auto-generated PDF that Sally can print, sign, & mail to DVLA with the requisite information. At about the schedule time, Sally and her husband actually move and she checks in with the dashboard to both confirm the transition and to verify which vendors have her new information. Those vendors who are fully integrated with the personal datastore have electronically confirmed the new address. A few of the government agencies have requested a validated change of address, so Sally directs her personal datastore provider to provide the appropriate agencies with the Verified Change of Address (Identity and Data Assurance Level 2 - UK ... matches US level 3) see NIST 800-63 for related identity assurance standards.
 - 01/16/11: reVRM
 - What about notifying vendors of intention to move?

Deconstructing Car Buying Engagement Model:

- Like the ability to confirm which vendors have her information
 - Does a process already exist for validating change of address?
 -
 - 8. Relationship Development (v)
 - Shift to segment management,
 - 7a.
 - In response to her change of address, Chryota also notifies Sally, via her dashboard, that there is a new local dealer who might be more convenient. Sally does some quick research on the “new” dealer, who has a good trust rating and good comments from users. Sally accepts Chryota’s recommendation and provisions the new dealer for access to her car’s service and data record. Upon provisioning, Sally receives a welcome message from the new dealer with a brief outline of additional services now available (they weren’t offered by her old dealer).
 - 01/16/11: reVRM
 - When a buyer sends an intent to move, or issues a personal PRFP with preferred locations, it could generate a list of real estate consultants and appraisers with local market knowledge
 - Change of address already generate a variety of sales solicitations, some of which are coordinated through Welcome Wagon. Good to see what if anything Welcome Wagon is doing with social media, now that it has spun about of Move.com
 -
 - 7b.
 - At the appropriate schedule, Sally’s “digital dashboard” at her personal datastore provider reminds her of her maintenance appointments. She confirms the appointment online and drives in to the dealer and gets a ride back to work. Sally gets an SMS notifying her that the dealer has proposed work to be done. She logs into the digital dashboard and sees that the dealer has suggested—in addition to the planned maintenance - tire replacement because of a manufacturer warning. She does a quick search online about the notice, and decides she against it. The underinflation warning from the manufacturer is valid, but the community discussion groups (and the manufacturer) agree that most vehicles don’t need to replace the tires if the vehicle is less than two years old. She informs the dealer to continue with just the scheduled maintenance. The vehicle assessment, her online research, and a record of all work done is stored in her personal datastore.
 - 01/16/11: reVRM
 - Annual cost of ownership is not presently part of the homebuying process, however, as one attendee asked last year at ConnectNY10, the ability to search homes by annual cost of homeownership would be a killer app!
 - And the ability to reduce annual costs by working with a 4th party, like the Toronto Home Services Club, could reduce annual costs, through scheduled maintenance and group buying power
 - 7c
 - Over the course of using her vehicle and getting it serviced, Sally learns about the Road Warrior program that the manufacturer offers to help customers who take frequent Roadtrips. She had heard about this on one of her favorite TV shows and it came up in her Twitter feed recently. She visits the manufacturer’s website and signs up, pointing them to her personal datastore, and provisioning a variety of services for specific, limited access to her driving data. This information is shared under the [[Kantara Information Sharing Agreement]].
 - 01/16/11: reVRM
 - Interesting, wonder if there is already some kind of snowbird maintenance / service company operating out of Toronto or the Twin Cities for local homeowners who travel or relocate temporarily in the winter.
 - What kind of homeownership data might service or energy providers want?
 - Electrical
 - Gas
 - Water
 -
 - She authorizes anonymized use of her usage data for civic planning and road maintenance.
- Provisioning Terms for Civic Planning and Road Maintenance:
1. Data set
 1. Driving data
 1. Space-time travel (location & time while driving)
 2. # Passengers
 3. Type of car (Make, Model, Year)
 2. License Term
 1. License Term (duration): 1 year
 3. Use
 1. Use: civic planning and road maintenance
 4. Retention
 1. immediate use
 2. planning
 3. archive
 5. Propagation
 1. No propagation other than exceptional circumstances as defined in the KISA.
[“Anonymized” needs further definition]
- 01/16/11: reVRM
 - Interesting, what kind of civic planning & maintenance might be desirable / possible?
 - Annual housing census
 - Voluntary housing census
 -

Deconstructing Car Buying Engagement Model:

- She also provisions the manufacturer for access to her “roadtrip” travel dates and in-car location information for use by the Road Warrior Program. And she requests “speed trap” notifications, construction alerts, amber alerts, and emergency alerts. Finally, she approves identified use for smart offers from her list of approved suppliers when she’s in their neighborhood.
- 01/16/11: reVRM
 - Smart offers could easily relate to house & garden offers from coupon syndicate or deal map
 -
- Sally’s unique ID in her driver’s key logs her into the Road Warrior system when she drives. As she travels, occasional relevant notices appear on the dashboard interface. Sally also has the pleasure of knowing her usage data is being smartly utilized in an anonymous fashion to help manage and develop the roadways.
- 01/16/11:
 - Should be interesting to know what might be possible with MIT's new Zero Plus housing
 - There, house itself might be part of the utility grid as it will be PRODUCING energy
 -
- 7d. Personal RFP integrated into GPS
 - On her way home from a customer visit, Sally asks the Road Warrior Negotiator interface to find her a good spot to fill up the tank. The system analyzes her route and sends out a personal RFP to those stations within 1000 feet (1/5 mile). Those online respond with a customized bid for gas. For those not online, the Road Warrior system responds with their known pricing data [Q: where does this data come from today?]. She picks one and a visit to that station is calculated into her route.
 - 01/16/11: reVRM
 - Negotiator role
 - Finder role
 - Dream home search integrated into GPS
 - Send housing opportunities based on housing preferences?
 - []
On her drive, she stops and gets the gas...
 - Another: husband has different road warrior preferences and doesn’t want to be notified of the stuff she has.
 -
- [8. Manage Problems \(v\)](#)
 - Real problems
 - liability
 - goodwill
 - Perceived problems
 - 01/16/11: reVRM
 - Hmm, does this pass from homeownership to home insurance?
 - What systems are covered by a home insurance policy?
 - Where can I find that kind of info?
 - Which home inspection company has the best web site for tracking home improvements
 - Might those kind of coverage areas be somewhere on the BuildersShow web site?
 -
- [9. Manage Exits \(v\)](#)
 - Exit data management is key to win-back/ acquisition
Some exits are planned by the supply side
 - 01/16/11: reVRM
 - Translation for real estate?
 - Homebuilders offering trade up?
 - Housing ladder metaphor?
 - Trade down metaphor?
 -
- [10. Re-engagement \(v\)](#)
 - Can the prior customer record be found/ un-archived/ used.
 - Open Issues To-Do
 - Note about meta-system design (not a single monolithic piece of software or single service). Many providers, many pieces of technology, but this is a specific path through one transaction.
 - 01/16/11: reVRM
 - Not sure what this is referring to
 -
- [Terms of Sharing Agreement](#)
- 1. human readable (icons & simple language)
 2. machine readable
 3. lawyer readableNeed discussion...
- 01/16/11: reVRM
 - BW would be wise to get licensed in at least one state where title companies handle closings

Deconstructing Car Buying Engagement Model:

- Or try to apply reVRM model to two very large states, NY or CA
-
- [Role for Regulatory Agencies](#)
 - 1. Compliance
 - 2. Enforcement / Correction
 - 3. Preemptively constraining
 - 4. Override / Intervention
- [01/16/11: reVRM](#)
 - [Ability to monitor agency disclosure online](#)
 -
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