

Navigating Ever-Changing Customer Expectations

By Kristy Simonette, CREW Network Industry Research Committee

Technology influences our customers' expectations, and as commercial real estate professionals, it is essential to understand the impact technology has on our assets, as well as our customer base.

Let's take a look at modern-day technological transformation. Amazon started selling books online in July 1995 and has perfected and matured over the years. They are considered the gold standard for e-commerce. Amazon has led the way with shaping customers' expectations by exceeding and anticipating our needs.

Fast forward to 2008, and the mother of all inventions—the smartphone. From connecting us with our family to reading work emails to listening to favorite songs to paying for groceries to opening the garage... smartphones have changed the way we live, work and play.

More recently, we refer to technological advancements as “disruptors.” Rideshare companies like Uber and Lyft, along with short-term rental companies like Airbnb and VRBO, are prime examples. The concepts are old; it is the technology that makes the services available by publicly and conveniently connecting customers and products.

On the horizon are advancements and applications for commercial real estate in Blockchain, Artificial Intelligence, Machine Learning, and Robotic Process Automation (RPA) that will streamline into our companies over the next few years. Businesses are realizing efficiencies only afforded by the biggest, most sophisticated companies of the past such as NASA and Google.

Technology Driving CRE Customer Expectations

Location, location, and location are still the three most important things about real estate, but the experience you offer your customers can set your asset apart. Customers' expectations change, and much of this change is facilitated by technology influences. In summer 2019, the National Multifamily Housing Council (NMHC) conducted a renters' preference survey¹ with responses from 373,000 U.S. apartment renters. Ninety-one percent of residents said reliable cell reception is the most important feature of a community, and they won't rent without it. However, only 47 percent said they checked for cell reception before committing to a lease.

Our customers expect us to know they need reliable cell reception. Tackling poor cell reception is a costly proposition with the installation of a distributed antennae system, known as a DAS. You can also help customers with education on how to set up and use Wi-Fi calling. Utilizing workarounds such as Wi-Fi calling will buy you time until the next tech advancement solves the problem. (Modern-day term = hack.)

According to the NMHC survey, apartment shoppers use their smartphone 92 percent of the time when searching for a new apartment.

Consumers also expect to be able to easily conduct business online, specifically on a mobile device. Online payments, execution of lease agreements with e-signature software, and communication with building managers are all non-negotiable. Your online experience must complement the experience your customer receives at your building. Is your company easy to do business with for all customers at all points of interaction? Is your customer experience optimized for mobile? You must have a thoughtful mobile strategy for marketing and managing your assets and provide a consistent and seamless representation of your company and asset.

Social media has shaken out to be another tactic supporting your brand. Companies can know, and not guess, what their customers think and share about their brand, building, and service. Social media is here to stay, mainly because people trust the opinions of those in their network.

Also consider the popularity of Yelp. It is common for consumers to read reviews before making a buying decision. Research has shown that most consumers will not consider a company or product with lower than 3.5-star ratings, and interestingly, 4.5 stars (not 5 stars, then authenticity comes into question) equates to more revenue for companies².

In the same NMHC survey:

- 72 percent of respondents referred to apartment ratings and review sites while searching for an apartment, up from 63 percent in 2017
- 79 percent indicated the content of a rating or review stopped them from visiting a specific community
- 85 percent answered that the content of a rating or review influenced their leasing decision
- Fifty-one percent indicated they expect to see responses to all reviews

Here is where you can make a difference—respond to reviews! Listen to what your customers are saying about your company and respond to their recommendations. Your customers will tell you what you need to fix to be great; tell them what you are doing to make changes.

So much of the recent shifts in consumer behavior centers around the way customers interact with us in the mobile, optimized world. Our customers expect to research us, talk about us, and conduct business with us from their “pocket computers.” Learn from what your customers are saying and grow and adjust along with them—or they will leave you behind.

(1) [2020 NMHC/Kingsley Apartment Resident Preferences Report - National Report](#)
(2) [Is a 4.5-Star Rating Better Than 5 Stars](#)

Kristy Simonette is Senior Vice President of Strategic Services, Chief Information Officer, Camden Property Trust