



# THE TITLE GAP

## FACING NEW CHALLENGES, REALTORS SHOULD MANAGE END-TO-END CUSTOMER EXPERIENCE

By many measures, the marketplace for Realtors has never been more competitive. Membership in the National Association of Realtors has risen 25% in the last 4 years.<sup>1</sup> The fears of non-traditional players, outside of brick and mortar brokerages, such as AI and Zillow are on the rise.<sup>2</sup>

Realtors across the United States are being challenged to add value in every facet of a real estate transaction to justify their commissions, which are among the highest in the world.<sup>3</sup> Facing these challenges, Realtors should focus on managing their clients' end-to-end customer experience, including all partners in the real estate transaction.

As this paper will explore, title companies are frequently the cause of negative customer experiences, given their inherent role, functions and traditional processes.

Customers can and will attribute back the experience they have with their title company to their Realtor, especially when their Realtor referred their client to the title company. This demands that Realtors put a special emphasis on who they choose to partner with in every transaction.

## TITLE: A TOP STRUGGLE IN REAL ESTATE TRANSACTIONS

In a typical real estate transaction, buyers and sellers work with three main parties: their Realtor, the lender, and the title company. Yet it is the title

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<sup>1</sup> Marketplace.org *As the housing market heats up, so does competition among realtors*, (2018)

<sup>2</sup> Andrea V. Brambila *Competition from Zillow, AI is the biggest fear among brokers:NAR* (Inman 2019)

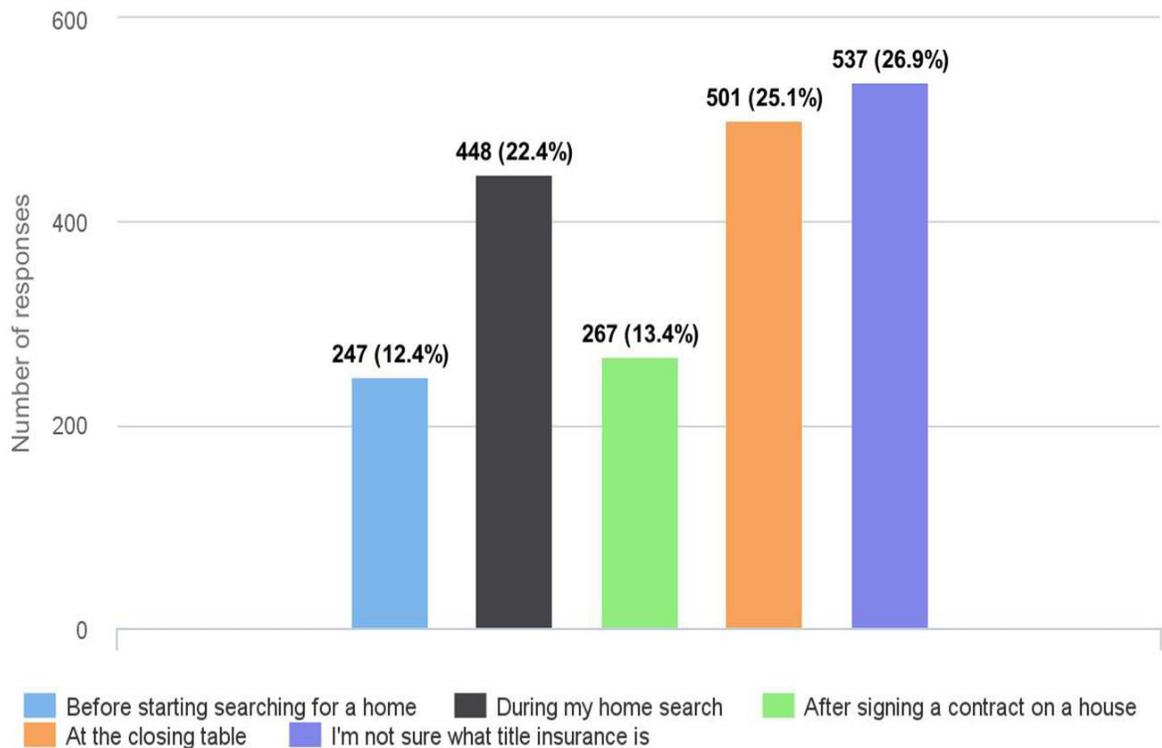
<sup>3</sup> Wall Street Journal *Real-Estate Commissions Around the World*,( 2015)



company, the hub of the transaction, that frequently causes the most frustration, negatively impacting customer experience.

Research shows that clients rank understanding the closing process as a top struggle in home buying and selling. A survey led by a national research firm found that at closing, 26.9% of consumers *were not sure what title insurance is*.<sup>4</sup> This is telling, given that a core function and value that a title company provides is issuing a title insurance policy. A staggering additional 25.1% of consumers learned (or wanted to learn) about title insurance *at the closing table*, at the same time they were bombarded with dozens of pages of paperwork to review and sign.

When in the process of buying a home did you receive (or when do you want to receive) information about title insurance and the benefits it provides you?



Highcharts.com

Additionally, insight gained by the Consumer Finance Protection Bureau found key points of pain within the closing process. Common frustrations reported were

<sup>4</sup> ALTA TRID Title Insurance Fee Disclosure Confuses Consumers, (2016)



delayed access to closing documents and excessive, redundant, error prone paperwork.<sup>5</sup>

## THE TITLE GAP

The Title Gap is the gap in customer experience that is outside the Realtor's direct control: *the experience driven by the title company.*

Realtors should strive to ensure a seamless, end-to-end customer experience that turns clients into *brand advocates* for themselves as Realtors and for their brokerages.

The Title Gap is a business risk, one that is critical to customer experience outcomes. A negative experience will reduce referrals, inhibiting business growth and damaging personal brand.

Realtors should seek to partner with a title company who will help them *bridge The Title Gap* by providing consistent, remarkable customer experiences. The kind of experiences that create brand advocates and drive referral business.

An additional and critical element of The Title Gap is the disparity between the level of technology offered by the Realtor and lender, and the technology offered by the title company.

Today's customers demand *technology driven* customer experiences. Fueled by the experiences created by the world's largest technology companies, companies they use every day, customers expect information whenever and wherever they are.

Simply providing "traditional" great customer service, speed and responsiveness is insufficient. Large brokerages know this, investing strategically in new technologies to empower their agents.<sup>6</sup> Lenders, both wholesale and retail, are also investing heavily in new technologies to innovate.

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<sup>5</sup> Lisa Provost *Complaints About Closings*, (New York Times 2014)

<sup>6</sup> Jim Dalrymple II *Keller Williams debuts Command its new AI-powered CRM*, (Inman 2019)



## THE BLACK BOX

Title as a function in the real estate transaction has historically been a “black box,” operating mysteriously, with hidden procedures and actions occurring without any visibility to outside observers.

Describing the title industry this way should come as no surprise to those in real estate, who experience the ramifications of this reality on a daily basis.

The title company is the hub of the real estate transaction that is so critical to the buyer and seller, both of whom are involved in likely the largest transaction of their lives. Title is also critical to Realtors who make their living on ensuring that transactions are *CLOSED*.

However, despite the many parties in need of critical information for an important transaction, phone calls made to title companies at 5:01 pm go unanswered.

Even worse, requests for information via phone or email are not responded to for hours or even days. For many in the title industry, this is the result of an inherently paper-driven process that makes it difficult for staff to quickly determine where a closing stands.

## TITLE TECHNOLOGY AS A SOLUTION

New title technology is transforming the title industry from a black box to a linear, digital, transparent process.

By digitizing internal processes, title data is coming out of the file cabinet and into customers’ hands; information is available live, in real-time, 24/7 on their computer, laptop or mobile device. Customers are informed and engaged in the title process with information displayed visually and intuitively for them.

Leveraging advanced technology, such as virtual private branch exchange, phone calls are answered at nearly every hour of the day, providing unparalleled responsiveness.

AI-driven messaging answers common questions and connects customers to the right title company team member in real-time, engaging with live messaging and video conferencing.



Critical milestones such as financing contingency dates and inspection deadlines are entered and automatically sent to Realtors' calendars, keeping all parties informed.

Text and email alerts notify Realtors the moment a title commitment or lien search is completed.

These new technologies shatter the black box, driving innovation, transparency and customer experience for Realtors and their clients. Customers' elevated expectations of technology driven experiences are met, creating a new standard for the title industry.

## **CONCLUSION: BRIDGE THE TITLE GAP WITH A TITLE PARTNER FOCUSED ON CREATING TECHNOLOGY DRIVEN EXPERIENCES**

Technology, while often discussed by Realtors as a source of disruption in their industry, can and should be harnessed by Realtors to empower them to create exceptional end-to-end customer experiences.

By choosing to partner with title companies who are innovating, leveraging and building the latest technology, Realtors can stand out to their clients, driving more referrals, increasing their growth and enhancing their brand.

In a rapidly changing market, Realtors should seek to bridge The Title Gap, turning clients into brand advocates.

*Devan P. Spinelli, Esq. is the Founder and CEO of CLOSED Title. Devan brings a unique background as a real estate attorney and technology consultant to Fortune 500 C-level executives. CLOSED was founded to deliver on a fundamental promise of technology: to transform experiences. Devan and his team are relentlessly focused on creating remarkable, technology driven closing experiences. Visit [closedtitle.com](https://closedtitle.com) to learn how CLOSED is Title Reinvented.*