

# White Paper



How eCommerce Macro Trends  
Are Impacting The Way Buyers  
Purchase Property

# 2022





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Josh Callaghan, CEO
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# Foreword

**There isn't an industry out there that has been left untouched by the events of the past two years, and real estate is no exception.**

Our industry is fundamentally about people - and the way people live, work and shop has changed significantly since the onset of the pandemic.

In Australia alone, Australian shoppers propelled eCommerce sales growth by 16.8 per cent to US\$41.2 billion (\$53.5bn) in 2020, then by an estimated 13.4 per cent in 2021, bringing spending to US\$46.7 billion (\$60.6bn) ([GlobalData](#)). Alongside these purchasing trends, 76% of people say they would prefer to work from home despite offices opening back up ([Pew, 2022](#)), and ultimately, consumers expect their purchasing habits and behaviours to change permanently ([Accenture, 2021](#)). There also continues to be a gap between expectation and reality, with 85% of brands believing they're offering personalised experiences while only 60% of consumers agree ([Twilio, 2021](#))

All of these statistics serve to demonstrate that macro forces are influencing the people we're selling and renting property to, changing the way they are behaving. The property market can no longer continue business as usual, because there are enduring consumer behaviour trends that will shape the way our industry looks over the next 12 months and beyond.

Ultimately - real estate must adapt to meet the needs of consumers, be they buyer, seller, renter or landlord.

At Little Hinges, it's our mission to be bold, which to us means shaking up the conversations we're having with those in property. This report looks at some of the macro trends across ecommerce which, if leveraged, will be the defining factor for real estate success moving forward.

Little hinges swing big doors,



A handwritten signature in black ink that reads "Josh Callaghan".

Josh Callaghan  
CoFounder and CEO, Little Hinges

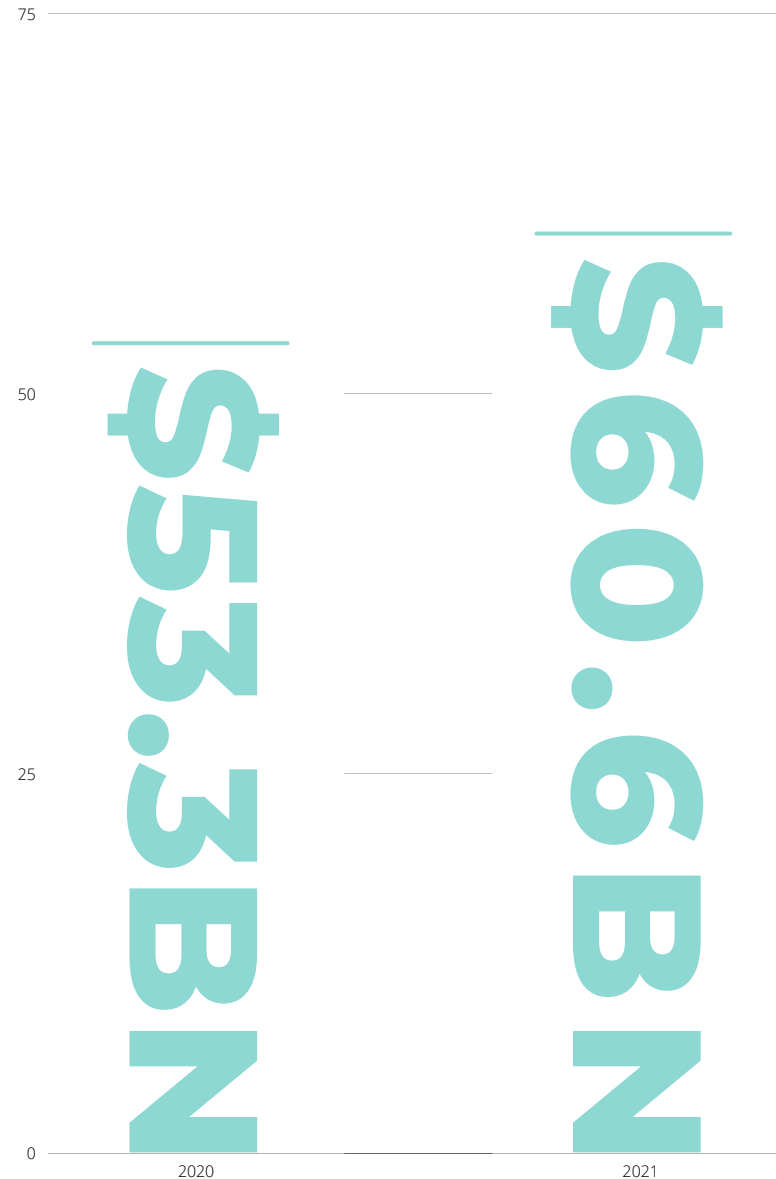
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# Fundamental Shifts in Consumer Buyer Behaviour: How Buying Real Estate Has Changed

Consumers have emerged from the last two years with their behaviour irrevocably changed. The real estate industry has a unique opportunity to adapt to seismic shifts in the way consumers are shopping by leveraging consumer behaviour and technology.

Since 2020, there have been a number of macro trends that have had their adoption accelerated, including the adoption of eCommerce. According to [McKinsey](#), digital adoption has resulted in a "decade in days" level of acceleration. In Australia alone, eCommerce sales grew by 16.8 per cent to US\$41.2 billion (\$53.5bn) in 2020, then by an estimated 13.4 per cent in 2021, bringing it to US\$46.7 billion (\$60.6bn) ([GlobalData](#)). Integrally linked with this trend is consumer expectations around transparency, immediacy and personalisation.

YOY eCommerce Sales Growth in Australia





**Fundamental Shifts in Consumer Buyer Behaviour:  
How Buying Real Estate Has Changed  
CONTINUED—**

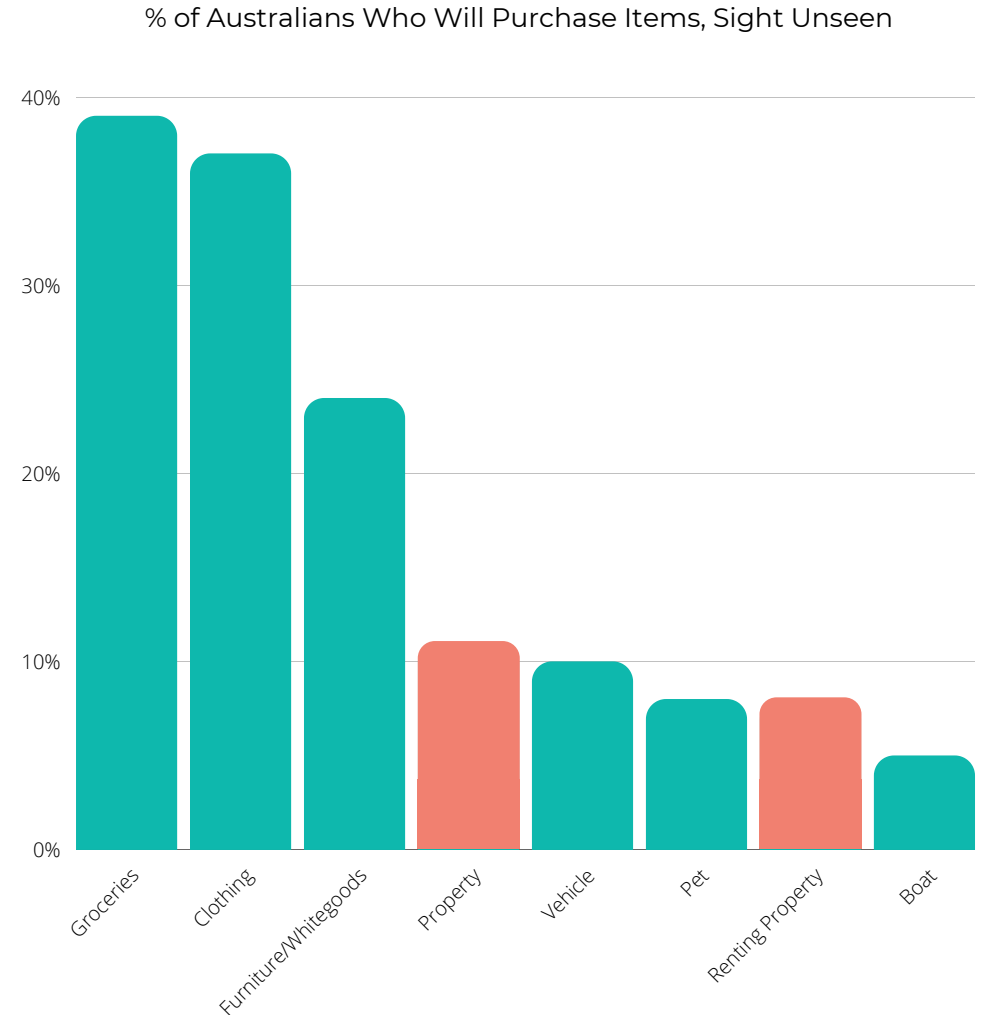
This macro trend is also having a significant influence on our decision making processes when it comes to purchasing property. This quote from the 2022 Emerging Trends in Real Estate Report published by PWC, highlights the situation perfectly:

“For years, real estate’s notorious resistance to change was based on the inertia of the status quo, but as necessity and technology have pushed past vested interests, it is apparent that the most salient feature of the budding postpandemic world is how it has evolved to the benefit of the masses, who now enjoy less commuting, better working conditions, more consumer choice, and experiential environments wherever they go. Indeed, it is probably fair to say that the long-overdue shift in the balance of power from the owners of real estate to its users represents the most positive shift for the industry in a generation or more.”

What this statement means is that the real estate industry can no longer afford to ignore the needs and wants of consumers, including the fundamental ways their expectations have shifted towards requiring transparency, immediacy and ease when it comes to making property transactions.

## Fundamental Shifts in Consumer Buyer Behaviour: How Buying Real Estate Has Changed CONTINUED—

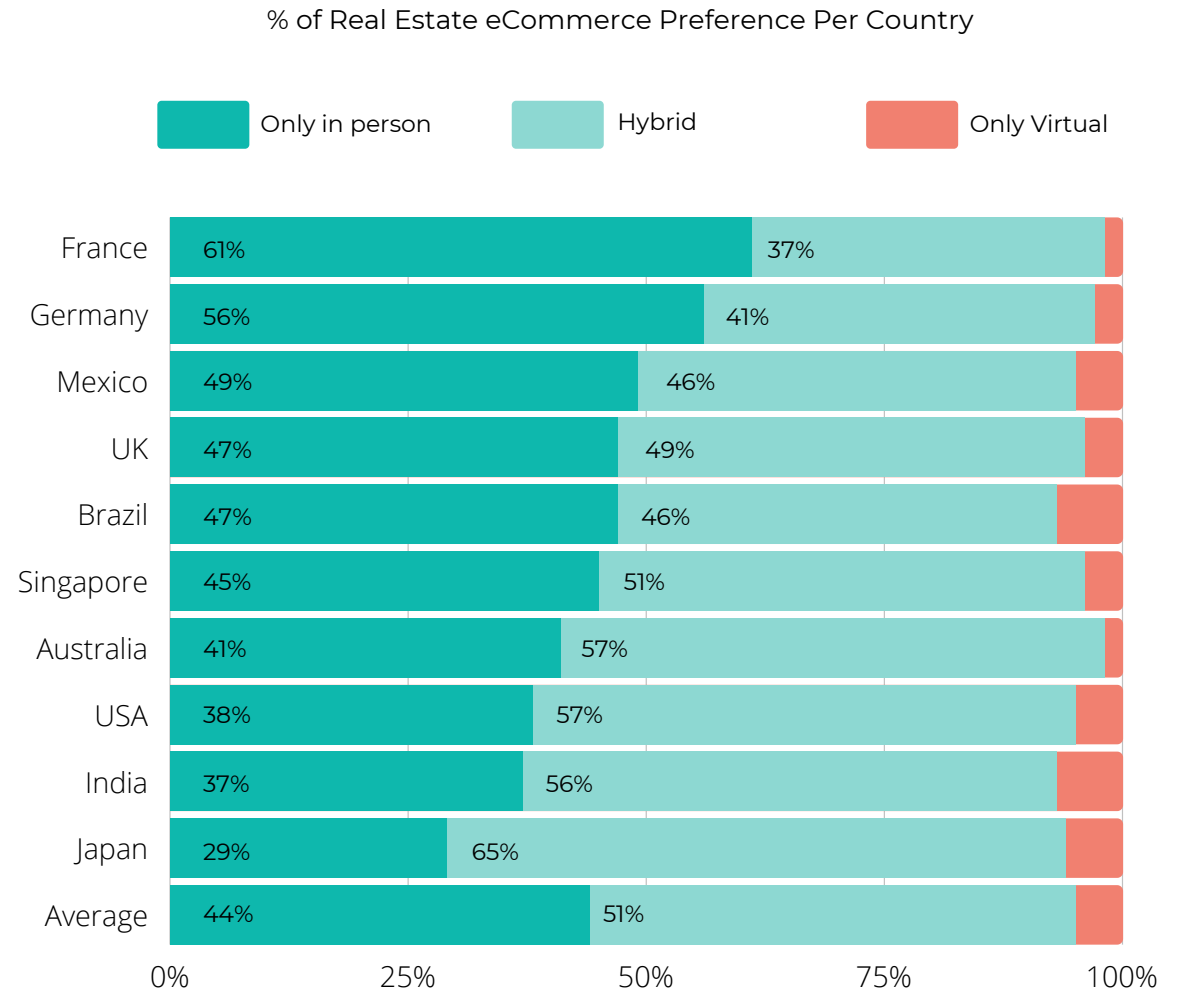
An example of this is a consumer desire for hybrid property inspections. According to a 2021 study by Zoom Qualtrics, 57% of Australians would prefer to undertake real estate transactions via a combination of in-person and virtual activities. This research was supported by [Canstar](#), whose nationwide research showed 11 per cent of property buyers would buy real estate without viewing it - more than those who would buy a pet or a car sight unseen. While the majority of buyers still want to inspect in person, smart agents are tapping into the desires of the marketplace to give the people what they want.



Source: Canstar, 2021

## How virtual is the future of real estate?

*If given the choice, would you prefer to undertake real estate transactions in-person or virtually?*



Online survey of 7,689 respondents  
Source: 2001 Zoom Qualtrics Research

# IF IT AIN'T BROKE, WHY FIX IT?

Little Hinges recently hosted a webinar on [Trends in PropTech in 2022](#) where Isaac Coonan, the founder of PropTech BNE, asked industry experts, “if it ain’t broke, why fix it?”.

This is a valid question, given the property industry is booming, the number of listings are increasing, and competition is higher than it’s ever been. The panelists’ response was that while there’s never been a better time to be in the real estate industry, this boom is driving significantly increased competition as new players enter the market, which means agents have to work harder than ever to cement their market share. Smart agents are also using the current boom to streamline and optimise their businesses to align with consumer expectations, ensuring their longevity no matter what happens to the market.

As we enter 2022, agents need to challenge themselves by asking whether their marketing approach has been optimised in line with new market conditions.



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## How the Real Estate Industry Can Leverage Macro Consumer Behaviour Trends

Property industry insiders may be asking how these macro trends around ecommerce and consumer behaviour will trickle down into real estate, and the truth is that this is already occurring. The following section outlines how real estate agents can leverage these trends to set themselves up for future success.

### UNDERSTAND HOW BUYERS WANT TO SHOP

Buyers want to be able to shop when and where it's convenient for them, and property is no exception. Consumers can now get almost anything delivered to their doorstep in as little as a few minutes, and they are becoming increasingly frustrated with experiences that don't align with that expectation (e.g. the Saturday morning open home).

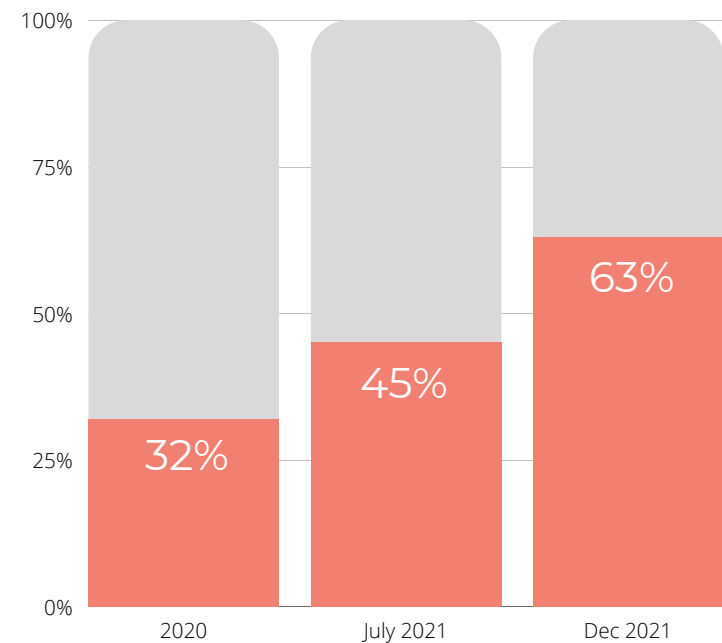
Consumers are looking for transparency, immediacy and personalisation when it comes to their shopping experiences.

# 7 UNDERSTANDING HOW BUYERS WANT TO SHOP: TRANSPARENCY

eCommerce brands have realised the impact of transparency on conversion rates. Large eCommerce brands have team members whose sole responsibility is to match the colours of physical garments to how they appear on-screen in an attempt to provide as much information to the customer as possible. Any ambiguity and the sale is lost. This mentality should also apply to the real estate space. Buyers know that glossy photos and highly produced videos don't match the true experience of a property - they only have to compare what's shown online with one open home to become distrustful of real estate listings.

This is supported by recent research by US-based real estate company Redfin, 1 in 10 home tour requests to Redfin agents are for a remote video tour, as 3D virtual tours like those offered by Little Hinges are accurate to within a millimetre, giving potential buyers a true representation of a property, increasing their willingness to make their highest offer, or place a bid sight unseen. In the US, two thirds (63%) of people who bought a home last year made an offer on a property that they hadn't seen in person. That's up from 32% a year earlier, and 45% in July, which was previously the high point. (Redfin). Without transparency, these kinds of offers aren't possible, because buyers are not able to feel confident paying hundreds of thousands of dollars based off smoke and mirrors.

% of US Buyers Who Made an Offer on a Property, Sight Unseen



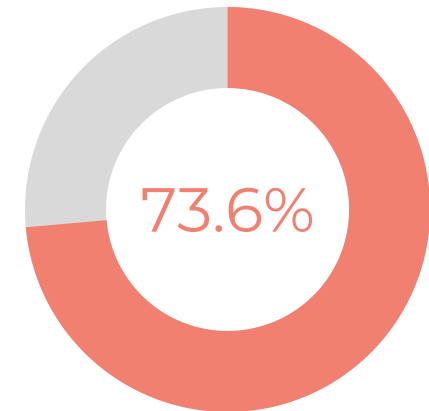
Source: Redfin, 2021

# 2 UNDERSTANDING HOW BUYERS WANT TO SHOP: IMMEDIACY

The launch of Amazon in Australia changed the way consumers shopped. Add in two years of a pandemic, and the uptake of services like food delivery, and speed of delivery has become a significant factor in customer's buying decisions. According to eCommerce giant, [Shopify](#), 73.6% of shoppers believe shipping is key to their overall shopping experience. Potential property buyers don't want to be forced to wait until business hours to find out more about a property, and find the friction of a Saturday morning open home as counterintuitive to their purchase expectations.

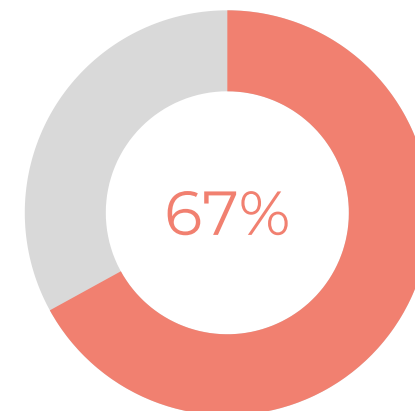
In addition, the type of content buyers want to consume has changed, particularly in the last two years. According to [Hubspot](#), people are watching more video online than ever before – in fact the amount of online video they watch has almost doubled since 2018. This is also reflected in research specific to property marketing, with studies showing that 67% of people would like to see virtual tours used more frequently ([Matterport](#)).

% of Shoppers Who Believe Shipping is Key to Shopping Experience



Source: Shopify, 2021

% of People Who Want Virtual Tours on Property Listings



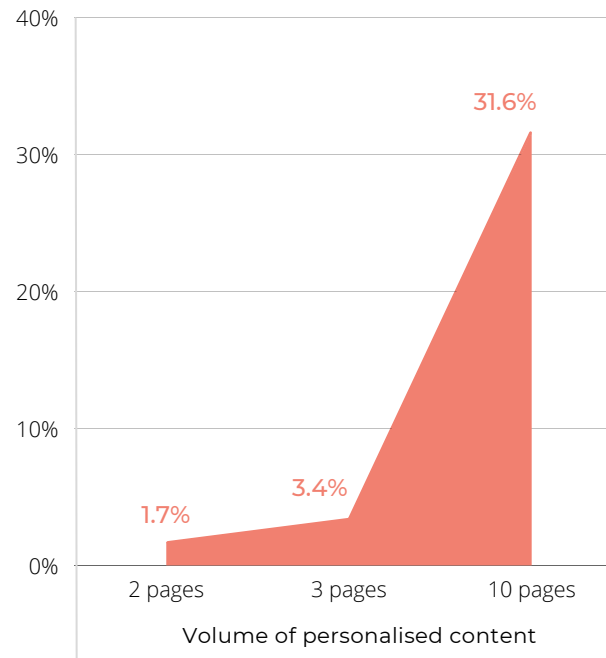
Source: Matterport

UNDERSTANDING HOW BUYERS WANT TO SHOP:

# PERSONALISATION

Personalisation of marketing has become a macro trend over the last 5-10 years across all areas of marketing, with significant increases in conversion rates when advertising and promotional activity is tailored to the individual. A 2018 study by [Monetate](#) revealed that eCommerce conversion rates double when purchasers are shown content that is personalised to them as part of their buyer journey. In real estate, this equates to providing potential buyers with the information that's relevant to them, not what a photographer or videographer deems as important. Potential buyers want to be able to deep dive into the areas of a property that will most impact their personal buying decisions, going so far as to be able to know whether their fridge will fit into the kitchen of a property they are considering purchasing.

eCommerce Conversion Rates Following Page Personalisation



Source: Monetate, 2018

Real estate agents need to consider these three factors when planning their marketing strategies, offering transparent, immediate and personalised access to property listings.

## MEASURE CONVERSIONS AT EVERY STEP OF THE SALES PROCESS

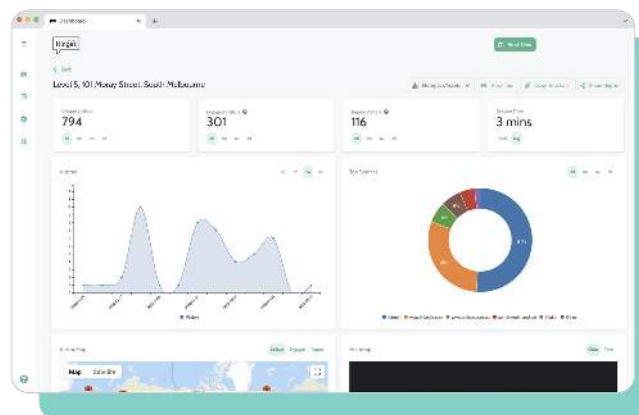
Property experts around Australia have been caught unawares as buyer demand outstrips supply and competition continues to ramp up significantly. While many agents are recording record results, the last two years have seen significant changes to the fundamentals of marketing a property for sale. With the market moving at such a rapid pace, knowing what works and doubling down on that execution is paramount.

Technology is now enabling agents to measure and manage all stages of the purchase journey, optimising for offers and buyers, not just to open home attendees. Understanding each stage of the sales process, measuring it, and then developing a plan to optimise it will allow real estate agents to drive quantifiable outcomes, attribute the activity that works, and double down on it.

[Read more on the three key sales metrics you need to be measuring in your real estate business here.](#)

## LEVERAGE TOOLS AND TECHNOLOGY TO YOUR ADVANTAGE

Proptech is revolutionising the property industry. Real estate agents now have access to a wealth of tools, data and insights that can be game-changing when it comes to optimising their sales process. Agents can now outsource the repetitive tasks that take up valuable time in favour of building stronger relationships, as well as leveraging the insights and data available to ensure they are spending time on the activities that generate the most return. While there is some initial investment of time identifying their pain points, and working out the right tools, this process can be made easier by working with trusted tech partners who understand the real estate industry. Agents who understand the importance of employing the right tech stack, to make their and their buyers lives easier, will be the ones who will succeed in this new property economy.



*Little Hinges Insights Portal is a tool that allows agents to understand their inputs and modify their approach based on data*

Ultimately, real estate agents can't do what they've always done and expect it to still work. Marketing has come a long way in the last 20 years and real estate marketing hasn't always kept up, particularly in a market where buyers have fundamentally changed how they shop.

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## What's Next?

The type of agent who will succeed in the future changed irrevocably in 2020, with the onset of the global pandemic and a significant acceleration in the rate of adoption of online shopping, remote work, and video technologies impacting the way consumers behave. The agents who take a performance based approach to marketing and sales, optimising their inputs (e.g. increasing the number of potential buyers inspecting a property, both virtually and IRL) to drive the maximum number of offers are the ones who will be able to demonstrate quantifiable outcomes. These measurable outcomes will translate directly into higher sale prices, larger commissions, more 5 star ratings on Rate My Agent and increased listings and market share.

**Agents who are able to unlock these mega trends that have resulted in significant changes in buyer behaviour will be the ones who win.**



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## References

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- [13 Mind-Blowing Virtual Tour Statistics \[Updated for 2021\]](#)
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## About Little Hinges

Little Hinges is Australia's #1 virtual tours provider, combining world class Matterport 3D technology with our nationwide team of experts and our world-first analytics and insights portal.

Our goal is to change the way Australians transact property.

**To book a virtual tour for your listing:**



[vt@littlehinges.com.au](mailto:vt@littlehinges.com.au)



1300 BOOK VT



Book direct via our website at  
[www.littlehinges.com.au/virtual-tour-booking](http://www.littlehinges.com.au/virtual-tour-booking)