Improving Homebuying Experience with AI

Transforming the Homebuying Experience with Dynamics Customer Experience and Power Platform.

May 2023
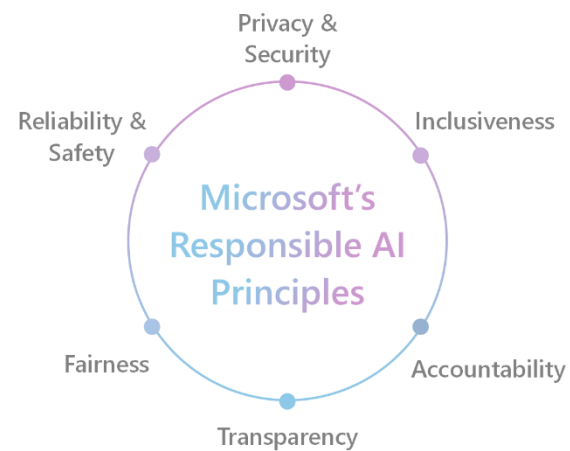
Microsoft

Contents

Executive Summary

This paper explores how Artificial Intelligence (AI) can improve the customer experience of buying a new home. We explore the current home buying process and highlight how it can be more personalized and engaging by leveraging the latest advancements in customer experience and AI co-pilot technology.

Microsoft Dynamics Customer Insights and Sales Insights create a customer profile from all the digital touchpoints the customer has had with the business, allowing the sales team to provide expert guidance, a personalized service, and transparent process documentation. An AI model can predict how likely a customer is to follow through with a purchase based on previous wins, customer budget, and relationship health. This allows sales teams to prioritize opportunities based on intelligent scores. Sellers are empowered to prioritizing the best leads, and identifying buying signals that have the most impact. By using AI and CRM data, sellers can give prompt AI responses through Viva Sales. Sales leaders can leverage existing data and compare actual performance directly against AI prediction forecast to identify discrepancies, inconsistencies and manage pipeline health.

"AI Golden Age is Here and It's Good for Humanity"

Satya Nadella, CEO Microsoft

Overall, with customer data and using AI, home builders can improve the buyer customer experience by creating an efficient, smooth, and streamlined purchasing journey that minimizes delays while protecting the buyer's interests and close opportunities faster. This is an opportunity for UK homebuilders to make the new home buying process considerably more desirable than buying an older home. Trust is critically important when it comes to realizing the full potential of AI technology, and the Microsoft Cloud runs on trust.

Privacy & Security

Reliability & Safety

Inclusiveness

Microsoft's Responsible AI Principles

Fairness

Accountability

Transparency

Optimizing the Home Buying Process with AI Co-Pilot Technology

Buying a home to live in has to be one of the most exciting and most intimidating feelings a person goes through in life, it's typically the largest single purchase a someone will ever make. Aside from the substantial financial commitment, deciding where to buy, who to buy from, whether a new home or an older home, and journeying through the exchange and completion process can get overwhelming if not handled properly. Having been through the process recently, I decided to explore and compare the current new home buying process, and how a more optimal buying process can be built for buyers and home builders with the latest advancement in customer experience and AI co-pilot technology.

Current Home Buying Process: The way people buy homes has changed, just like a lot in life has changed since the start of the pan-demic in 2020. Let us review the current home buying process today. Potential buyers look online for developments in their desired area and register interest. They typically call to book a viewing with the sales team, or they could walk directly into the sales and marketing suite and talk with the sales team. This then follows on to a viewing which includes a deeper discussion on budgets and deposits. Then there is a follow-up conversation with the sales team to proceed with a reservation and an exchange further down the line.

Ope Osibemekun
Dynamics Customer Experience
*Technical Specialist*

Economic Outlook

Indicators of house price growth have softened markedly.

According to research done by PwC, 73% of customers agree that a positive and personalized customer experience helps to drive their buying decision, while 85% of customers say that they are even ready to pay more if their CX needs are met. ("Digitalization Is Key to Competing In This New Era Of Customer ... - Forbes" PwC, 2018). Since October 2022, the Bank of England has steadily increased interest rates, causing mortgage payments to rise for millions of home buyers.

Due to the broader economic uncertainty, the demand for new build houses in the UK has slowed. Reports show increased pressure on the market has caused interest in buying to decrease rapidly; one housing developer reports a 33% decrease in reservation rate compared with their previous financial year (Demand for new build home cooling... - Financial times, 2022).

In December 2022, the housing market in the UK saw an almost 50% fall in demand and a 31% fall in the number of agreed sales vs the five-year historical average (Housing demand and supply change in the UK... Statista Research Department,2022). Homebuilders need to consider how they establish confidence and support buyers through great customer experiences.
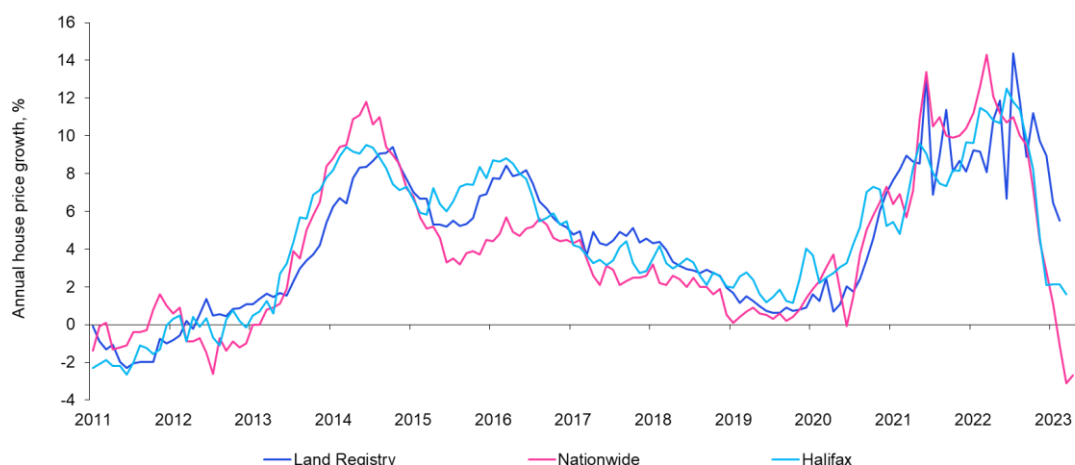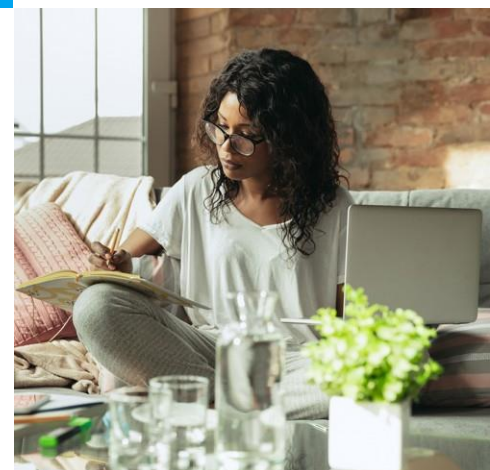

Source: HM Land Registry, Nationwide, Halifax. (KPMG, May 2023)

Households have used up around three-fifths of their excess savings.

UK households have seen an increase in the cost of living reduce their savings. This has potentially made it more challenging to put forward large deposits.

Winning the hearts and minds of buyers requires insights from your data, which leads to building the future of customer experience. Customers are willing to pay a 19% premium for new-builds in the UK, which demands a premium customer experience (Housing Ombudsman Service, 2020).
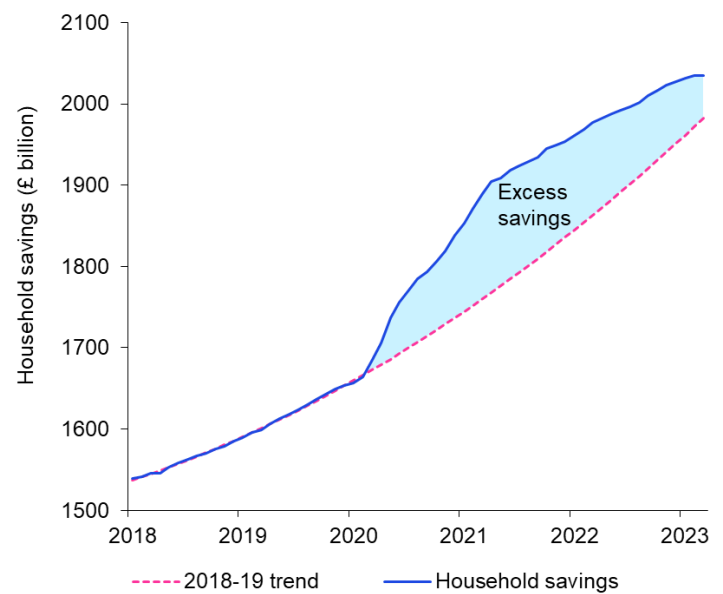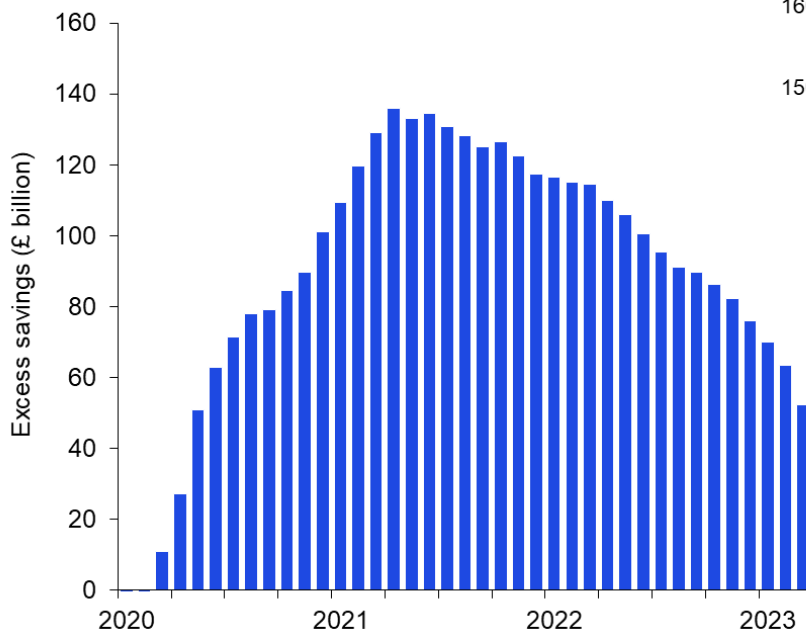
Source: Bank of England, KPMG analysis

Extending capabilities with Dynamics Customer Insights and Sales insights

Dynamics 365 Sales functions as a high-powered Customer Relationship Management (CRM) platform, specializing in sales pipeline management and full transparency into relationship activities.

Dynamics Customer Insights is a customer data platform allowing businesses to build a 360 profile of each customer with data received from all the digital touch points. Customer profiles can be enriched with 3rd party data such as Experian and Microsoft addresses.

The home buying process could be more personalized and engaging by extending these capabilities with Customer insights and Sales. Insights. For example, the customer registers interest on the development website, then proceeds to book a viewing or places a call to speak to the salesperson. As the buyer is registered, they are started on a personalized customer journey, an automated email is sent, including the development brochure, other developments in the area, how to book a viewing and sales teams contact details.

Personalized Home Buying Experience with Expert Guidance and Transparent Documentation

A few days before the visit to the show home, a salesperson calls the customer to confirm details, interest, and appointment. The customer is provided ***Expert guidance*** from a knowledgeable and experienced professional who can give advice and support throughout the home buying process from their CRM data. The salesperson can offer a ***Personalized service*** by understanding the buyer's needs and preferences, tailoring the home search and purchasing process to meet those needs.

Personalized Home Buying Experience with Expert Guidance and Transparent Documentation

This is possible by creating a customer profile from all the digital touchpoints the customer has had with the business. This gives access to buyer's details such as website visits, feedback ratings, credit score, marketing engagement, viewed marketing material, attachments downloads/views, and social media touchpoints.

By learning from every customer interaction, we can predict customer behavior and deliver the right personalized content at the right time to build a deeper and more meaningful relationship.

After the viewing and conversations, the salesperson is able to provide **Transparent process** documentation of clear information on the terms and conditions of a sale, as well as any fees or costs associated with the transaction. In addition, an AI model can predict how likely this customer will follow through with the purchase based on previous wins, customer budget, timeframe, stage of process, and relationship health. This allows the salesperson to prioritize opportunities based on intelligent scores and for the buyers to have the most attention when they are further along their buying process.

Leveraging AI technology sellers could have visibility of which home buyers their colleagues have interacted with previously. They could track the engagement shown by home buyers and identify the home buyers most likely to complete their home purchase.

To stay ahead of the market, sales teams are constantly pressured to sell more and faster to meet sales quotas. It is imperative that sellers spend time on the best leads and opportunities, prioritizing prospective buyers that are likely to move quickly through the journey. Leaders can also leverage their existing data by comparing actual **Performance directly against AI predictions** to visually contrast how the number of homes sold is pacing against

Employees and Customers demand new digital experiences.

100% of buyers want self-serve options for at least part of the buying process.

93% of marketing & sales professionals report antagonism between their teams

85% employees want digital tools that help them be more agile, automate daily tasks, and make information more accessible.

85% sellers believe understanding buyer intent is crucial to sales success.

34% seller time on admin tasks

32% sellers time on selling

predictions, which allows them to identify discrepancies or inconsistencies. The predictive model captures all related data from past sales and open pipelines to identify buying signals that have the most impact.

Efficient and GDPR Compliant

All so simple, yet these insights provide the customer confidence and empowers the seller with an ***Efficient process*** with a smooth and streamlined purchasing journey that minimizes delays and helps the buyer close on their new home as quickly as possible whilst being GDPR compliant. Overall, the ***Attention to detail*** of a salesperson ensures that all necessary steps are taken to protect the buyer's interests, including answering all questions about property inspections and reviewing all required documents.

Key takeaways

- Dynamics 365 Sales and Customer Insights offer powerful tools for enhancing the home buying process. These platforms provide a comprehensive view of customers' interactions and enable personalized and engaging experiences.

- With Customer Insights and Sales insights, sales teams can deliver expert guidance and transparent documentation. By leveraging customer data, including website visits, feedback ratings, and social media touchpoints, salespeople can tailor their approach to meet buyers' needs and preferences.

- By predicting customer behavior and delivering personalized content, sales teams can build deeper relationships. They can also prioritize opportunities based on intelligent scores and identify buying signals that have the most impact. This helps sales teams stay ahead of the market and meet sales quotas more effectively while ensuring GDPR compliance and a streamlined purchasing journey.

This enhanced experience is possible with the Microsoft Dynamics CX solution.

Business and customer success is in the hands of the sales and marketing teams to ensure they use the data they have to help customers make informed decisions about their options. Connecting sales and marketing solutions allow marketing teams to target and segment customers in key areas and share the most relevant information to their sales team.

With the growing abundance of data, there is an opportunity for home builders to benefit from Sales Insights powering resource allocation and intelligent pipeline management with machine learning models, to coach their sellers as well as **ensuring consistency of the engagement process** across all sales regions and divisions.

What is dynamics 365?

Dynamics 365 is a portfolio of intelligent business applications that delivers superior operational efficiency and breakthrough customer experiences enabling businesses to become more agile and reduce complexity without increasing costs.

What is Power Platform?

Microsoft Power Platform is a low-code platform for rapidly building customized end-to-end business solutions.
It consists of five product areas:
- *Power Apps*
- *Power Automate*
- *Power BI*
- *Power Virtual Agents*
- *Power Pages*

Improving Homebuying Experience with AI

Enhancing Customer Experience with AI Chatbots and CRM Data

Clear and timely communication by the seller keeps the buyer informed and provides prompt responses. One way to achieve this is by utilizing AI, specifically ChatGPT and CRM data, which can enhance communication further by assisting sellers to answer customer queries and concerns.

In the future, AI may even enable self-service ChatGPT on the development site, which would give buyers the ability to book appointments and ask questions about their desired homes through an AI guided process. This advanced chat system could provide information about the lease/freehold, the area, home dimensions, highlight additional option recommendations and even suggest financial advisers and solicitors local to the area.

A Home builder in the UK need to consider the opportunity cost of not investing in dynamic sales in-sights and customer insights capabilities during tough market conditions. By creating connections with customers during these times, brands are more likely to remain front-of-mind with prospective buyers and position themselves for success in an evolving market. Therefore, it is crucial to be bold and invest in these capabilities to stay ahead of any competition.
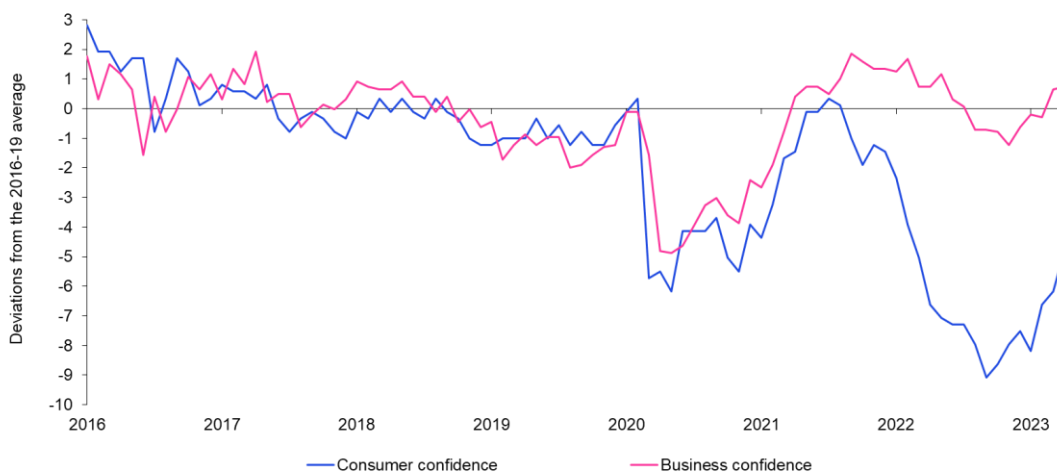
Source: GfK, Lloyds Business Barometer, KPMG analysis.

Summary

This white paper explores how AI can enhance the customer experience of buying a new home. It emphasizes the use of Microsoft Dynamics Customer Insights and Sales Insights, along with AI co-pilot technology, to personalize and streamline the process.

The current home buying process is described, highlighting the need for improvements in personalization and efficiency. The UK economic outlook, including changes in interest rates and decreased demand for new builds, is discussed as a factor that impacts the market.

By leveraging technologies of Dynamics Customer Insights and Sales Insights, will enable the creation of a 360 customer profile and provide expert guidance to sales teams. AI models can predict customer behavior and prioritize opportunities based on intelligent scores. The integration of AI technology allows for prompt responses and transparent documentation, while also empowering sales teams to meet quotas and manage pipeline health effectively.

This focus on customer-centricity gives new home builders an edge over the often challenging experience of buying an older home. By prioritizing efficient processes, prompt communication, and personalized service, home builders can attract and satisfy customers, positioning themselves for success in the market.

Additional Resources

For more information on transforming your Customer Experience and unlocking the potential of your teams please visit:

https://dynamics.microsoft.com/

For further insights from KPMG Global Economic Outlook around the research and the future of the UK economy, please visit:

https://kpmg.com/uk/en/home/insight

Microsoft