

## How much does brand matter?

*As more NYC brokers and firms change business models and adapt to today's Facebook culture, they are forced to transform their images too* June 01, 2010 07:00PM **By Candace Taylor**



Branding. It's the reason you choose Coke over Pepsi, Stumptown over Starbucks or Barneys over Saks. But when it comes to buying real estate, how much do brand names matter?

As Manhattan's real estate firms jockey for position in a tough market, the significance of branding is changing rapidly. This month, *The Real Deal* looked at the importance of image -- for firms and agents alike -- in the altered marketplace.

Some believe that [brand loyalty is becoming less crucial](#) in real estate, as technology grows increasingly sophisticated and consumers can access property listings without brokers' help.

And since the average buyer purchases a new home only every six years, engendering brand loyalty in real estate is tricky.

"In between those six years, we're not thinking about it at all," said Paul Purcell, a real estate consultant and the cofounder of upstart brokerage Charles Rutenberg Realty. "This isn't Ivory bar soap."

Purcell, who was previously the president of Douglas Elliman (now Prudential Douglas Elliman), recalls conducting focus group testing in which clients couldn't remember the names of the firms they worked with.

"I wanted to hear about our brand, but they all talked about the individual broker," he said. "In many instances, they couldn't tell us who the broker worked for."

In part, that's what prompted him to start the New York branch of Rutenberg. The four-year-old firm (which also operates on Long Island and other locations outside New York City) was virtually unknown in Manhattan when it started here. But lately it's been [picking up a number of](#)

[brokers](#) who are, in part, fleeing fees charged by the larger firms. Many of these agents say big-name brands are no longer important enough to justify the rising fees.

But there are plenty of brokers and company CEOs on the opposite side of the debate arguing that branding is more important than ever, and is crucial to communicating a firm's offerings. For example, Citi Habitats, the city's largest rental company, renamed its sales division Citi Sales last month in an effort to change its rentals-only image.

Others note that nearly all clients -- especially sellers -- say they want to work with a reputable and trustworthy company.

"The brand is critical to express how you conduct your business and present yourself as a company," said Shaun Osher, the CEO of high-end brokerage Core, which has recently been moving its image away from being known solely as a new-development marketing firm.

Core, along with several other firms, has started [taking on more resales](#), and adjusted its image accordingly to suit its mix of business.

One cheap and easy way for companies to establish brand recognition is through technology, especially popular mediums like blogs, Facebook and Twitter, which help brokers build relationships with their clients. But as firms realize that social media can have both benefits and drawbacks, they are taking steps to control how their agents present themselves on the web.

The stories in this package explore just how much brand matters.