
Real Estate Photography As A Small Business

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Anita Campbell: If you enjoy snapping photographs, have an enterprising spirit, engaging personality and want to generate steady monthly income on the Internet, then you are qualified to own and operate your own real estate web site.

Our featured guest today is Kelly Thomas of SIHomeTours.com. Kelly is going to explain how to develop a home based business providing a service for the real estate industry, and yes, it involves photography. Kelly started SIHomeTours.com in 2001 and then he added a photographer about 6 or 8 months later. As of today, 70,000 people a month visit and generate over a half million page views.

Well welcome to the show Kelly!

Kelly Thomas: Hello! Your welcome! Thanks for having us here.

Anita Campbell: Well Kelly, explain if you would, what exactly is SI Home Tours?

Kelly Thomas: SI Home Tours is a consumer based tool, it is a website of course that allows real estate buyers to preview property that is for sale in their market. In this case, for SI Home Tours it is in Southern Illinois and actually we have expanded into Western Kentucky now.

Anita Campbell: Explain how it works. How do you get content that you put on the website and exactly what does a visitor see when they get to the website?

Kelly Thomas: We work primarily for realtors. What we do, is we go out and photograph the listings at the Realtor's request and we display those images on our website. The images that you see on the website were all created by either myself or our professional photographer. This presents the home for sale in the best possible way, because I still think that first impressions count. Your home is most likely your #1 asset and if you are selling it or trying to sell it with blurry or underexposed photos, do you think that you are going to get top dollar from that kind of advertising material? Probably not.

Anita Campbell: Probably not. That is right.

Well how do Realtors feel about your website and your service, Kelly? I mean if I am a realtor and I am thinking, well gee I offer a realtor website and information on that website about listings. Why do you need a service like SI Home Tours?

Kelly Thomas: Realtors that are in the business full time and professional, the thing that they really need to be doing to maximize their time and make the most money which is what they, the real estate agent and of course their broker wants them to do, is to maximize their time. We provide a service that lets them outsource all of the photography and almost all of the website work. So the realtors don't have to fool around with broken computers and viruses and try to get

a company camera and things like that.

They just say, "Hey we got a new listing, run out here and photograph it." We then take the beautiful professionally created photographs, using professional equipment, load those to a professional looking website and then all the realtor has to do is maybe make a couple of links. Actually, they usually have an office secretary and a lot of the offices do that now for the company website. She will add those links to that in the local MOS system and they are done. It is a hands off procedure and that saves them time, in that it lets the real estate agent or the broker focus more on contacting people to get those properties sold.

Anita Campbell: I see. So you are not working against realtors, you are actually working with the realtors to serve the homeowner?

Kelly Thomas: Correct. Actually in a sense we become part of the real estate office's team and we work together with them and very closely with the real estate agents and the brokers. A lot of times they will take us under their wing and we kind of become part of their family.

Anita Campbell: Well I have noticed something really interesting from your website. In fact you've got something that is called a virtual tour. Would you explain what that is?

Kelly Thomas: Sure. I would like to think that all of our properties that we photograph are virtual tours. Then again, I think of the really broad definition of the virtual tour, as a collection of images that will tell a story about a property. But most people really think that a virtual tour is one of those interactive moving 360° images that you see on a web page, it is kind of hard to describe over the radio. But if you saw one you would know, 'oh that is the virtual tour'.

The average realtor will typically show between 0 and 6 images of a property, but when we go out to a property we will take 20 to 60 photos and what I call 5 virtual tours and that is the 360° images. We usually take photos of every living space or property except for maybe a garage or unfinished basement or laundry room. That creates a virtual tour, that whole collection of pictures so that you get complete information about a property and it is right there online.

Anita Campbell: Well you mentioned 360°, what does that mean actually?

Kelly Thomas: We use a camera with a special lens. You have seen those mirrors like in the corner of your drugstore maybe, those round mirrors? Right? The camera, what it kind of does it uses a mirror like in the lens and we point the camera straight up at ceiling and the camera is able to capture, because of that convex mirror, photographs of the entire room.

Anita Campbell: So it is a still photograph but it is capturing the whole room?

Kelly Thomas: Correct. Then what you see on the Internet is a small portion of that, kind of a window of that photograph and you can move back and forth, left and right, up and down, and you can zoom in and out of that 360° image.

Anita Campbell: Well, tell me the story of how you got started in this business. Now were you

a professional photographer?

Kelly Thomas: Actually no, I am just a computer geek, but I had photography background from way back in the 80's, in high school when I was the yearbook photographer during my senior year in high school. So I kind of had an interest in photography and I had started because I went to a trade show out in California called Mac World. That was back in the late 90's, I believe, and Apple computer had just introduced the technology called Quick Time VR and that is the virtual reality related things like we see a lot of today.

Well, gosh, they just introduced that and there were all these seminars and things about how to do this, and it peaked my interest. So I went to all of the seminars and learned how to do this. Then I came back to little 'ol Carbondale, Illinois and just did it on the side for enjoyment, kind of a hobby, just a couple of things here and there.

I showed one or two of these to a businessman in town and he got excited and said, "Oh, you need to show this other fella". About four people down the road, the guy ended up showing it to real estate broker, unbeknownst to me, I didn't know who he was and I just would just go ahead and show it to him and he said, "Oh we want you to do this for us." That is kind of where we started and evolved to where we are today.

Anita Campbell: So, how did you actually get the idea of starting a website to do this? Now I can understand doing the photography but you are actually maintaining a pretty well trafficked and vibrant website for people in a local area, who are selling homes and visitors who come to the website who are looking to buy homes.

Kelly Thomas: Well, we needed a place to put the photos and we found that the real estate agents in our area didn't have a whole lot of computer expertise back in the late 90's. The real estate industry at that time still had not adapted the internet and the technology behind it. Gosh most of the places didn't even have internet connections in their office. If they did, it was through a modem or something. So they didn't have the knowledge or the skills to be able to put the information online, so it was just a lot easier to kind of just do it yourself at that point.

Anita Campbell: Have you ever thought of taking this business idea national? I mean right now you are focused on two specific local areas. Is that correct?

Kelly Thomas: My particular business is, yeah. But I do work with a group of folks, and we all have a common, kind of a software engine. The solution is, each website is custom but it still uses the same basic backend engine where we've really streamlined the process for getting the information online.

For example, uploading photos, we have made that really quick. We can add the virtual tours. The website keeps track of billing information. We have an automated routine that we can use to keep the prices of the property listings updated so that a realtor does not have to keep calling and saying, 'Oh we changed the price of this property today'.

They don't have to bother with that and again that is something else we want to take away from

them, that we can do and kind of maybe do it automatically. But the website does all of those things and more and it helps me manage my business the way I need to serve my market in Southern Illinois. But we have a number of folks around the country.

Anita Campbell: Well, we are back with Kelly Thomas. Kelly is the founder of SIHomeTours.com. It is a real estate website and it helps realtors and homeowners who selling property by photographing that property and getting the photographs on the web.

Kelly what does it take to actually get involved in this business? Do you have to be a professional photographer?

Kelly Thomas: Thanks Anita! Oh, gosh no. Again when I started I was not a professional photographer. You know, we can usually teach all that to most folk and as a matter of fact, even the computer skills. Again if you can use probably Microsoft Word and surf the Internet, we can teach you most of the things you are going to need to know to survive and do well in this business.

The big thing a person really needs to be is positive, energetic and outgoing. You will be selling and working with real estate agents and brokers. Those folks are professional sales people so they are going to expect a professional attitude and activity from someone they are going to work with.

Anita Campbell: Well now, let me understand. You actually help entrepreneurs get into a business like this in their particular area? Is that like a consulting business that you run?

Kelly Thomas: Well, again, we got a group of folks that do this in a number of different areas using the same programming engine that we do and we are looking to grow our group and we are looking for new operators in other markets. We've got markets now where people are operating markets in Arkansas, in St. Louis Missouri and in the Washington, D.C. area and, you know, they are all doing real well.

We would like to carry our business model. What we would ultimately like to see, is we would like to see these entire regions combine into a large website. Instead of building this national website from the top down, where a buyer has to peel down through various layers of web pages and advertisements before they can get to any real property listings, we are trying to build it from the bottom up. From a small regional website that is owned by someone in the region operating under their own domain name and have that be able to link to other folks who are operating in other regions.

Anita Campbell: Well we have a couple minutes before we take another break here. In the time remaining in this segment, I would like to ask you to explain a little bit about how the site makes money. What is your revenue model for a site like SIHomeTours.com?

Kelly Thomas: That is a good question. Our primary customer is of course the realtor. We don't work with homeowners, really. We sell and promote our services mostly to the realtors, they are our customers and we send them the bill. If they get any fees from the homeowner for

doing this, some do and some don't, that is up to them. That is between them and the home owner, but we bill the realtor.

Now this is great for us because this builds a repeat business as opposed to a homeowner who is going to sell their home and leave. Once we make a sale to the realtor, that this service that we offer is a valid and good service and we do a good job on the first order, the realtor will likely get new property listings next week. They will fax that information over to us and have us go out to make that order. So it is a building and continuing business model that way.

We have one business owner in Arkansas. I talked to him this weekend and he told me that all of his website operating expenses were paid for with advertising that he sells on his website. I mean that is great. So all of his photographic business is pretty much profit at that point. So there are a number of ways you can make money through selling your photographs and services to the realtors and then you can actually sell some advertising on your website.

Anita Campbell: Today we are talking with Kelly Thomas, founder of SI Home Tours and Kelly is explaining how to develop an Internet business that involves photographing real estate, working with the realtors and homeowners who have properties for sale.

Now Kelly, I wonder if you could give us an idea of the price range of the services that you provide. I mean is this price to be something that is more like a commodity? Or are you trying to price it as a quality service or how would you describe your pricing philosophy and the range?

Kelly Thomas: That is a good question. We actually leave that up to the various business owners in each region. One fella, for example, he puts a lot of time into his photography and does a lot of post processing on the images when he gets home. He won't go out the front door for less than \$200.00. But for example, we are more of a high volume business model and we will charge the realtor to go out and take photos of the property and then there is a fee that is due at closing that is based on the price of the property. So it is kind of complex.

Anita Campbell: So it is a variable fee based on what the property sells for.

Kelly Thomas: Exactly. If you have a single wide home on a quarter acre of land, we probably are not going to take very many pictures of it. But if you had a 6,000 square foot home on 50 acres of property, we will probably take 60 to 130 pictures of that property to get that information online. So we think it is fair to charge a little bit more because we are going to be doing a lot more work.

Anita Campbell: I see. So it is almost like a pay for performance kind of system as well. If your photographs are high quality, presumably that is going to be reflected in the sales price in some way.

Kelly Thomas: Exactly. Our pricing method is really unique in the industry I feel, and the realtors love it because it is pay for performance. In real estate, nobody gets paid until the property sells. If it doesn't sell, then we really don't get the lion's share of our money. So that encourages us and our photographer to do a really good job and I really think she does a good

job.

Anita Campbell: You mentioned that you work with a group. Does the group have a name?

Kelly Thomas: Not really. Again, everyone has their own independent business.

Anita Campbell: It is almost like an open source kind of group.

Kelly Thomas: Kind of. We just had a meeting in St. Louis that I put together to get everyone to kind of go. The name I was using for the meeting at that time, which you might be referring to, is the Virtual Tours Summit. So that was kind of a meeting of all of us experienced operators, most of us who have been in operation since right around the year 2000 or 2002, something like that.

Anita Campbell: Oh, so I can see another business line in the making, you know, trade shows and even trade publications?

Kelly Thomas: Some people have been talking about that but gosh darn it we are so busy; every one of us is so busy. It is difficult to get away from our region or to focus on things like that. Quite frankly I work a full time job and I operate this business. I like my full time job and I've got a few more years to go before I get invested in that retirement phase, so this is actually a part time income for me that I can run from home.

After six months of doing this, you know way back when, I just got to where I was absolutely running my tail off. I started looking for a photographer that I could hire as a subcontractor and I found this lady who ran a portrait studio and wedding photography. You know she needed something to do during the day because those are things that take place on weekends and usually in the evenings and I said, 'Hey great'. It has worked out really well, us teaming up together.

Anita Campbell: One of the reasons I find this topic so fascinating is that it seems to me that in the world today we are trending to become a graphic people, a graphic nation. What I mean by that is that we are drawn to photography and video in ways that perhaps we weren't in the past or maybe it is just because the technology has become easier. Do you have any thoughts on that?

Kelly Thomas: Yeah, a little bit. We are becoming very graphic and I think part of that is due to the Internet. I mean I just heard this morning that YouTube was sold to Google for, I don't remember the figure, but it was like millions and millions of dollars. The success of YouTube, well let's see, all they have is video on their website. You know, it is homespun amateur video but it is a great thing and I look at it too. I can't stop myself sometimes.

We have become a very visual society; it's a lot easier. You know they say a picture is worth a thousand words and it is a lot quicker to look at a picture than it is to look at, you know, a thousand words I suppose. Google has also trained us to give instant gratification for information. Realtors are finding that the younger buyers that are coming into the market are used to that

instant gratification and they want all the information right now.

The last thing someone between 20 and 35 or 40 even the last thing they would want to do is sit in the minivan with a realtor and drive around town for three or four days looking at property. You can go online. You can preview and pre-show this property online in a couple of hours and narrow your list down of property, which you want to look at, to a very narrow range of maybe three or four houses. Then select right from there what you want to buy.

Anita Campbell: Are realtors reporting that by the time prospected buyers come to visit the realtor that they have actually done all of their research online? Or does it happen a little later in the stage?

Kelly Thomas: For us, it actually happens almost right away. One of our first listings was a nice mobile home, it was in a park and the realtor had been trying to sell it, it was valued at about \$20,000. The realtor had been trying to sell it for many, many months and she said, 'Oh what the heck I will just give these guys this listing and see what happens'. So we put it online with all the pictures and it was purchased sight unseen by somebody in Alaska who was moving into our area.

We have had that happen numerous times since then. Usually with investment property are the stories that I have heard about. They will see all the photos on the web and they will contact the realtor. I hope the buyers get a home inspection. I think that would be the wise thing to do if you are not going to physically visit the property you are going to buy; without ever seeing the property. That has happened numerous times over the years with us. You know, the folks we have worked with who own these operations.

Anita Campbell: Well, let's talk a little bit about how consumers actually find your website. What do you do to market a website like that?

Kelly Thomas: When I was first starting out, the surprising answer is almost nothing! That is one of the great things about this business is that you can start out with no advertising cost and still be successful. Now the trick is your realtors, if you think about this for a minute, your realtors are buying advertising already. What we did was we asked them to include information in their advertisements and it is of course to their benefit, they are going to be paying \$100.00 or more, often more, for these virtual tours. They are going to want to advertise them and get those out in front of buyers.

So we give them the information to place in their advertisement. For example a custom subdomain that goes right to their listings. An example of that might be jdt.sihometours.com and that goes directly to Jay David Thompson's listings. He is the broker and that is the name of his real estate company, Jay David Thompson. So just his initials, jdt.sihometour.com and he places that information in his advertisement and that drives buyers right to our website and it does not cost us a dime.

They are already buying the advertisement, so they are happy to carry that cost and do that for us. Since then of course, we have supported our website now that we have some cash flowing;

you know some money coming in, you now can do some marketing things. We have done all kinds of things. If a newspaper will accept our advertising, many times they won't.

Anita Campbell: Well why won't they accept by the way?

Kelly Thomas: Oh, they see us as a competition and they try to do everything possible to put us out of business. One of those ways they will tell us that they won't accept our advertising. Recently they've told some of our realtors that they will not accept ads from our realtors with links to our website in them. So I think that is pretty unfair and underhanded but that is what they are doing.

You know outside of that, we can still do a lot of things. We will buy yard signs for people to put in their yards. We will put our URL on a billboard. I have bought TV advertising. You know, there are a million ways to advertise and get the information out about your website. Our websites are also optimized really nice for the search engines. They are designed that way. They actually make for great food for the websites and I have found that over time once you get a few listings and some content built up on your website, I think you are going to start really just beating all of the local competition.

In other words, all of the other real estate websites in your area for the brokers for example, I think you are just going to just slay them in the search engines. So when someone types in something like Carbondale Real Estate, SI Home Tours will probably come up very, very close to the top and probably on top of all the other real estate agents' websites.

Anita Campbell: Recently I attended a conference on Local Search, which is basically just finding something through the search engines that relates to your local area, and it seems as if that is very much on the upswing. The search engines and all the directory sites are getting much better at that. Do you see that helping you in the search engines as well, this interest in Local Search and the fact that the search engine companies are devoting more resources to improving that kind of search?

Kelly Thomas: Sure it can help. I have not looked into that very much myself. When I first started out, I paid about \$20.00 or \$30.00 a month for keyword advertisings and things like that but I have since, pretty well just laid off of that completely. It used to be a good thing, now it doesn't seem to be helping very much.

Most of our traffic comes from realtor.com, other agent websites or a corporate website for example century21.com or caldwellbanker.com where an agent has placed a link to our virtual tour and a listing or just straight from some sort of advertising idea where we've placed a commercial on the local TV station.

Anita Campbell: Well that sounds like a fascinating business, Kelly. I am so glad that you could join us and actually share your experiences today. I think this has been a very interesting show and it sounds as if you have created a very interesting business. So thank you so much for being with us.

Anita Campbell: Well it is time again for the Today's Trend Segment. In Today's Trend, I would

like to talk about a key trend shaping small businesses and in fact shaping our world and that is the trend towards self serve.

It is a self serve world today, the more we can do for ourselves, as small business owners, the more empowered we feel. We feel like we are in charge, like we can lift the world. Today we are seeing a lot of do it yourself small businesses and we are also seeing the self serve business owner especially when it comes to sole proprietors and businesses with less than five employees. But if you are part of a small business that happens to be larger than five employees, keep in mind that this self-serve trend applies to you as well.

Even larger businesses are now showing a preference to go online, to do transactions such as online banking or to sign up for various services or to get customer support. Self-serve help desks are the way of the future. The Internet, of course has a lot to do with this. Today you can use online advertising campaigns with tools such as Google Ad Words without having to hire an ad agency. Small business accounting software packages such as QuickBooks enable entrepreneurs to keep their own businesses very efficient through keeping their own books.

To some degree, do it yourself has always been the hallmark of small businesses, especially for start ups. In the early years revenues are lean, employees are scarce. When you are a start up, you really don't have much choice, you've got to do it yourself or it just doesn't get done. But the kind of self-serve that I am talking about is more than just a matter of not having money; it is really a whole shift in our attitudes. It is a shift that is taking place across society.

We are now conditioned to use ATM machines instead of human tellers. We are actually using the Internet to research purchases. For example, buying cars, so that by the time we go into a dealership we have already educated ourselves online. We sign up for, renew and cancel services over the Internet and we're using touch-tone phones that actually recognize speech. Small business owners and managers are going through a similar shift and technology; especially Internet is at the foundation of this shift. But the really interesting thing is that services have not gone away, they have just changed.

While, we small business owners may use accounting software to keep our books, the majority of us still have accountants. But instead of our accountants being number crunchers, our accountants can do hire level work. They can help us with advice, they can give us tax planning input and they can help us with other value ad activities. In other words, when we use outside services we may be using them for higher level purposes precisely because we have the tools that let us automate routine tasks and do them ourselves.

So take a look at your business, not only as a user of services but also flip it around, what tasks can you automate? What tasks can you make self-serve without detracting from quality in the way you deal with your customers? Can you set up information files online to help customers who have customer support questions such as putting up a knowledge based database? Can you set up a way to do automated transactions via a telephone? Look at all of these activities and look for ways to take advantage of this trend towards self-serve.

That concludes Today's Trend. I want to thank you so much for joining me today. We are

going to be back next week with another in-depth interview of a small business expert and more about trends that shape our future. So join us next week! I am Anita Campbell.

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