

primer on marketing homes for sale

You Know the Stats:

More than 80% of new home searches begin online.¹

87% of home buyers used the internet as part of their search – more than real-estate agents (85%), yard signs (62%), open houses (48%), and print or newspaper ads (47%).²

First time home buyers have risen, despite the recession, and the median age for a first time buyer is 30 and uses the internet to find a job, couch and home – to find everything!³

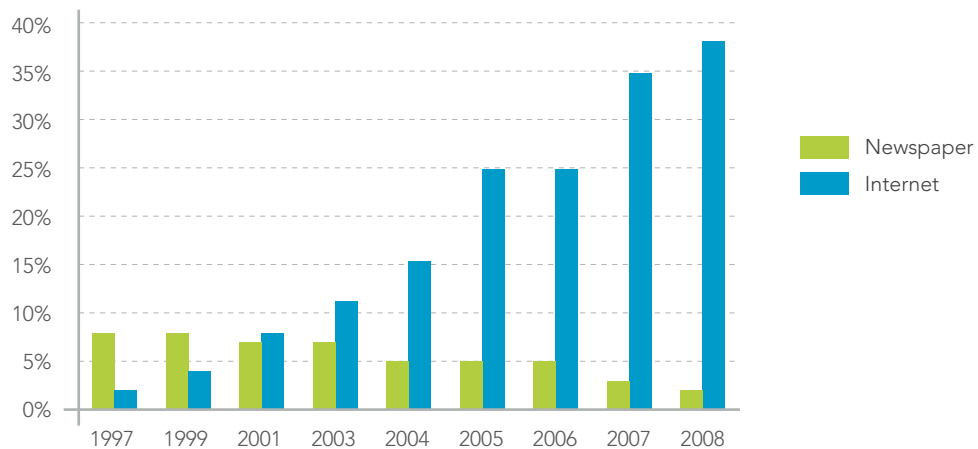
Buyers find the Internet a more useful source of information in their home search than any other media, including real estate agents.⁴

31% of advertising will be online in 2012.⁵

After finding a listing online, 73% of viewers drove by and/or viewed the home.⁶

You must be marketing online. If you are employed in an industry having anything to do with real estate, you know the days of selling a home by placing an ad in the Sunday paper and throwing up a couple billboards are over. What follows is what a real estate marketer must know to advertise homes for sale online.

where buyers found the home they purchased (internet vs. newspaper)⁷



¹ National Association of Realtors 2007 Profile of Home Buyers and Sellers

² 2008 Profile of Home Buyers & Sellers, NAR

³ realtor.org/press_room/news_releases/2008/11/home_buyer_and_seller_survey_shows

⁴ National Association of Realtors, 2006 Profile of Home Buyers and Sellers

⁵ Borrell Associates, Inc.

⁶ National Association of Realtors, 2007 Profile of Home Buyers and Sellers

⁷ 2008 Profile of Home Buyers & Sellers, NAR

there's more than one way to find a home for sale

You may think some pay-per-click ads on Google will sell a home. But there are a few clues that pay-per-click campaigns with sound SEO ("search engine optimization") do not make a complete online marketing campaign. This table was pulled from the tracking data of a Bay Area homebuilder (July 28, 2009 – August 27, 2009).

Referring Site	Page Views/Visitor	Bounce	% of visitors
Google CPC	3.67	52.29%	26.75%
Direct	4.23	21.10%	16.64%
Google Organic	5.63	24.03%	15.15%
Yahoo Behavioral Targeting	3.22	53.04%	3.42%
Yahoo Organic	6.47	18.39%	2.91%
New Homes Directory Listing	6.5	25.24%	2.61%
First Release Homes Listing	4.69	31.96%	1.95%
Trulia Banner Ad	3.98	37.61%	1.92%
Movoto Banner Ad	4.07	37.11%	1.91%
Facebook.com	2.86	61.99%	1.24%

Astute readers will make several observations about these numbers:

- ▶ While direct and organic visitors usually have the highest PageViews per Visitor, the highest average is a listing site. ***Listing sites deliver the highest quality paid web traffic.***
- ▶ The more information a visitor has before reaching the website, the lower the bounce rate. Direct visitors, organic traffic, and listing sites beat out Google, behavioral targeting efforts, banner advertising campaigns, and Facebook.
- ▶ Visitors reach the homebuilder website in a vast number of ways, and a presence on a wide variety of websites is a good step towards reaching the target audience.

A holistic online marketing campaign is built on the knowledge that potential home buyers search in a variety of ways, and that one does not use any one fixed measurement to gauge the success of a given campaign. A standard, three-pronged online marketing campaign would include the following components: pay-per-click, home listing websites and rich media (banner) advertisements. (Please refer to www.newhomefeed.com for white papers on contemporary marketing trends including detailed treatment of Social Media including Facebook and Twitter.)

Pay-Per-Click

A pay-per-click campaign is used because search is the gateway to online information and because 75% of new home buyers begin the process of gathering real estate information using a search engine (Source: US Real Estate Survey. New Home Purchasers. June 2007. Media-Screen.). Given that you must be in front of that 75%, search and pay-per-click advertising is crucial.

Home Listing Websites

Real estate advertisers should use new home listing websites because the data clearly shows potential buyers that reach your website from a listing website are extremely qualified leads. Moreover, research indicates that traffic from paid real estate listing websites deliver the highest quality traffic of all online marketing options. To make matters more interesting, 90% of eyeballs on a given listing website are unique to that website. Meaning 90% of the eyeballs on Zillow are unique to Zillow. 90% on Trulia are unique to Trulia. (Source: Zillow.com study, 2009.) And so forth. Meaning you must both be on a wide variety of listing sites, and choose the most cost-effective approach for appearing on the right listing websites.

Rich Media/Banner Advertisements

Of rich media (banner advertisements) click-through rates (“CTR”), the industry with the highest average is Media/Entertainment, at a mere 0.17%. (Source: DoubleClick DART for Advertisers, January – July 2008). When the advertisement appears on a contextually-relevant website (for example, a home for sale ad on Trulia), the CTR improves, and when the creative adheres to banner best-practices principles (vibrant colors, clear calls to action, immediately states what is offered), the CTR improves still more. Even so, clicks are decidedly not why one should use banner advertisements. Carrie Frolich of Mediaedge:cia explains, “Remember why you’re advertising...you are not advertising for clicks... What you’re advertising for is to sell me stuff or change perception, and that’s what we need to be measuring against.”

With banner advertisements, you are not soliciting clicks per se. Instead, you are planting your name and inspiring further action. In a recent study by ComScore, searches for a brand or trademark were 52% higher among people exposed to a banner campaign than in the control group. The effect on web traffic gave a 65% lift within one week of exposure to the banner advertisement. Long story short, getting a 65% boost in web traffic using the more conventional tools offered by Google, well, good luck. (Source: online-publishers.org/media/1059_W_TheSilentClick_OPA.pdf)

To use an analogy, some people go to ESPN.com and others to CBSsportsline.com, and if you have something about football you want sports fans to know, you don’t ignore one site because that is ignoring a whole lot of football fans. The need for casting a wide net is clear, and so the question becomes: how to establish an online marketing budget?

establishing a real estate online marketing budget

Of the top 25 traffic referrers for a homebuilder with ten communities, we see the following percentages (August, 2009):

- ▶ **Pay-Per-Click: 27.12%**
- ▶ **Listing Sites: 8.51%**
- ▶ **Organic/Direct: 34.71%**
- ▶ **Rich Media: 14.33%**
- ▶ **Social Media: 2.10%**

The Organic/Direct numbers can be attributed to a variety of factors including SEO, email marketing, traditional advertising, word-of-mouth and “other.” These percentages guide where to dedicate the percentage of the online marketing spend. For example, if 27.12% of web traffic comes from pay-per-click, then about the same percentage is devoted to pay-per-click.

Projecting for the future, on March 17, 2009, the CMO Council (“Chief Marketing Officer Council”) reported that, for 2010, half of marketers will hold firm on their online marketing budgets or increase, with one third planning at least a small budget increase, and with 8.2 percent planning a bump of more than 10 percent. (Source: www.cmocouncil.org/news/pr/2009/031709.asp) Indeed, budgets continue to migrate online because all available research shows online media influences buying decisions at least as much as traditional media. As budgets move online, because marketers need to be where the consumers are, in addition to display, search, listing sites, and lead generation, we see budget being devoted to things like collaboration marketing (loosely defined as marketing that provides useful information and content to a target audience) and emerging media.

When starting from scratch, a marketing budget should be goal-based. Who is the desired audience? How much is a lead worth? Then test the waters with a modest budget. If the goals are being met, does an increase in budget correspond to an increase in registrations, in traffic to the home(s) for sale? If so, and if budget is there, then the marketing budget should be increased.

We recommend a budget-driven online marketing campaign should be determined as follows:

1. Determine overall marketing budget
2. Real estate professionals should devote a minimum of 30% overall marketing budget to online marketing
3. According to allexperts.com, 15% of a media spend is typically devoted to campaign management, management tools, and consulting.

With a marketing budget established, the next step becomes building your campaign and placing your ads.

building your campaign and placing your ads

ComScore offers traffic data on the top 500 real estate websites. When considering where to place ads, this is a good place to start. However, nobody has budgets for all channels, and different channels will deliver different results. When determining advertising channels, first, determine your goals (you should have done this already when determining your marketing budget). Then evaluate which channels are visited by the audience you hope to reach. After placing your listings and rich media ads, the next step is to test to see if goals are being met, then adjust, test again, and repeat.

ComScore, of course, offers only a partial picture of real estate advertising options. Not mentioned, and perhaps the most common traffic-building technique, is pay-per-click advertising, notably on Google. (Google took 72% of the search market in 2009, according to a January, 2010 Covario report. The other search engines fight for the balance.)

For pay-per-click advertising and rich media advertisements, time and resources must be devoted to the manual build and continued oversight. As previously established, listing websites deliver traffic superior to pay-per-click campaigns and banner advertising campaigns. This does not mean search and display advertising should be ignored, but rather should underscore the importance of your real estate content appearing on the widest possible variety of listing websites. How can you be sure your real estate listings enjoy the widest possible dissemination? That's where New Home Feed is an invaluable tool.

new home feed

Traffic from real estate listing websites is outstanding. But time and resources are limited, and listings require constant updates because being in real estate means pricing and information will frequently change. Including real estate listings on newspapers as well as the tremendous array of websites offering home listings, getting content out there, and managing the frequent updates can be a real headache. A new tool, New Home Feed (www.newhomefeed.com), simplifies that process because updates to New Home Feed instantly update across all relevant free listing real estate sites plus many of the real estate listing sites for which you pay



a fee. New Home Feed makes updating your site and listing network easy. Plus to make your life even simpler, New Home Feed includes easy-to-understand, action oriented reports and will even manage your website leads while illuminating any websites delivering excellent traffic so additional marketing opportunities can be explored. Simply put, New Home Feed makes the life of every real estate marketer much easier so attention can be devoted to the important stuff.

There's more than one way to find a home for sale, and there's more than one way to make sure your listings find your audience. The successful real estate marketer will know all the options available, from Google to Rich Media to Collaborative Marketing to Mobile Marketing to Real Estate Listing Websites. Each option offers clear value and the savvy marketer will diversify to reach a wide audience. Having clearly established goals to determine a marketing budget and benchmark campaign success is crucial, and it is these very goals against which each marketing effort is measured. To make life easier, know and use tools like Google Analytics and New Home Feed to simplify things and make sure you are putting your marketing dollars to good use. From there, campaigns can be planned and built, tested, repeated, and tested again.

For more information on New Home Feed, visit www.newhomefeed.com

For more information on Google Analytics, visit www.google.com/analytics

To learn more about how to put your marketing dollars to work, contact your New Home Feed Account Manager now at 415.836.6760, or visit www.newhomefeed.com for more information.