



CASE STUDY

Highlighting Broker Successes with Trulia

Lead traffic, conversion and the quality of Trulia.com users

1.0 Executive Summary

Trulia.com is a real estate search engine that helps consumers find homes for sale, along with relevant market and neighborhood data, so they can make smarter real estate search decisions. Trulia then connects consumers with the best source of real estate listing information, the listing broker or agent Web site.

Trulia won the 2006 *Business Week* “Best of the Web” award for real estate, the prestigious 2006 Inman Innovator Award for “Most Innovative Web Service” and *Business 2.0*’s designation as a “NextNet 25” innovator.

Since its launch during the fall of 2005, Trulia.com has allowed brokers and agents across the country to promote their listings online for free, focusing on building accurate, comprehensive coverage and links to more than 50,000 real estate broker and agent Web sites. Real estate professionals can gain additional brand exposure and traffic to their sites through optional paid advertising. To date, Trulia has hit several notable performance benchmarks:

- Attracting more than 1 million monthly visits to Trulia.com.
- Delivering nearly 1.2 million user visits per month to broker partner Web sites, many of who have significantly increased their business as a result.
- Signed agreements with more than 90 of the top 100 U.S. real estate brokerage firms to be part of the Trulia listings and advertising platform.
- Working with established real estate brokerages such as: Long and Foster Real Estate, Inc., Prudential Fox and Roach Realtors, Weichert Realtors, Prudential California Realty, Alain Pinel Realtors, Brown Harris Stevens and Baird & Warner, to name a few.

This case study was prepared to share some key successes and data taken from Trulia’s early broker partners and, in the process, answer three important questions real estate marketers frequently ask when reviewing the feasibility of working with an online traffic provider:

1. How much traffic are you delivering to your online partners?

Trulia delivers nearly 1.2 million user visits per month to our broker and agent partner Web sites—and continues to grow rapidly. Trulia is a significant traffic source for leading brokerages including Intero Real Estate Services, which has approximately 62 offices in six states:

“Trulia.com is one of our top online traffic referrers, and they consistently deliver more quality traffic to interorealestate.com than Realtor.com and/or the local online newspaper sites with whom we work. Trulia sees our Web site as a customer destination, and they measure their performance by both the volume and quality of traffic they deliver to our Web site.”

--Derek Overbey, Director of Marketing, Intero Real Estate

2. Who are the consumers¹ coming from your service—are they real, viable potential customers for me?

A recent user survey of Trulia.com users indicates that the vast majority are pleased with the service and serious about buying/selling a home:

Demographics:	- Average age ~35 years
	- 70% in a committed relationship/married
	- Median household income above \$100k per year
Willingness to Buy/Sell:	- 80% looking to buy a home in the next 2 years. Of those buying or selling:
	▪ 45% want to move in the next 6 months
	▪ 40% are first-time homebuyers
	▪ 66% are not working with an agent
Satisfaction with Trulia.com:	- 96% of Trulia users would recommend Trulia to a friend

¹ Refers to users sent from Trulia to broker partners. “Consumers”, “clicks”, “visitors” and “users” are used interchangeably throughout the study.

3. What is the value of a Trulia consumer vs. a consumer coming from another service?

This case study considered the conversion of Trulia visitors to actual registered leads (“conversion”) and expected commission revenue from a Trulia lead compared to several top real estate sites (“lead value”):

- The rate of Trulia visitors directed to a broker Web site, qualified by the broker and then sent to an agent was 12.32%—26% to 40% higher than traffic originating from other large online traffic sources included in this case study. This rate is also high considering all of the lead points on a broker Web site.
- Conversion of Trulia traffic in general was higher than that from these other sites.²
- Trulia’s expected lead value was +136% higher than that delivered by other lead sources in this study due to: 1) high probability for dual-sided commissions as a result of Trulia visitors always being sent directly to listing broker/agent information; and 2) Trulia visitors requested showings of homes with higher list prices than those from seven other top Web sites, e.g., +18% higher than Yahoo!.

2.0 Study Methodology

This case study addresses the questions posed in the Executive Summary, specifically as they relate to Trulia:

1. How much traffic are you delivering to your online partners?

- What is the absolute number, and is it growing?
- How does Trulia compare to other online traffic referrers?

Trulia answered these questions by analyzing traffic generated to brokers through Trulia.com and the month-over-month growth rate of this traffic for 2006, and by comparing data on traffic referrals of other online sites from one of our broker partners, with results reported in the Executive Summary. No further data is published here.

2. Who are the consumers coming from your Web site—are they real, viable potential customers for me?

- What are their demographics?
- Are they truly in the market to buy or sell, or simply researching the market?

Trulia answered these questions by conducting a survey of 500 of its own users at the Trulia.com Web site, with results reported in the Executive Summary. No further data is published here.

3. What is the value of a Trulia consumer vs. a consumer coming from another service?

- What is the conversion? Are Trulia’s clicks/visitors any different from those coming from other Web sites?
- What is the real value to me of a visitor coming to my Web site from Trulia?

To answer the above, Trulia asked three large broker partners—who prefer to remain anonymous—to share conversion and other lead performance data from their systems over a 30-day period. (A list of select broker partners is provided in Appendix 1 or online at www.trulia.com/testimonials.) These brokers are identified as:

- **Trulia Broker Partner A** – Brokerage firm with over 50 offices
- **Trulia Broker Partner B** – Brokerage firm with over 150 offices
- **Trulia Broker Partner C** – Brokerage firm with over 15 offices

Since the broad use of the term “leads” in the industry includes leads that are not all created equal, a variety of leads were examined to determine the conversion of Trulia traffic to actual leads:

- Consumers asking a listing agent questions about a property via an email posted on the agent’s Web site
- Consumers requesting a showing appointment
- Consumers completing a Web site registration form (“lead form”)

Note: Phone calls are not measured in this case study

To determine the real value of a Trulia lead through expected commission revenue, Trulia leads were compared to other leads and value was estimated using:

- Average home price requested by a consumer
- Potential for a dual-sided transaction

² Great variation was found in overall conversion rates across broker Web sites based on individual Web site design and lead qualification processes. Therefore, it is important for brokers’ to optimize their Web sites to maximize the value of online visitors coming to the site.

3.0 Value of a Trulia Visitor: Increased Likelihood of Conversion

Brokers across the country are struggling with important online lead conversion issues such as:

- “I see many visitors from online sites, but only a few of them are seriously interested in buying or selling in the near future!”
- “It is expensive for my call center to focus on low-converting leads that don’t get referred out to my agents.”

Trulia researched traffic data results from Broker A and Broker B to determine whether leads (or visitors) from Trulia.com to broker Web sites converted at any different rate from that of “average” leads, as noted above, originating from other online sources. It was observed that:

- More Trulia users (or visitors, clicks, traffic) became leads
- More Trulia leads ended up working seriously with agents

With **Trulia Broker Partner A**, conversion data for leads from Trulia over the 30-day period was compared with traffic from three other high-volume online sources (referred to here as National Web Site 1, National Web Site 2 and National Web Site 3). The findings overwhelmingly favor Trulia delivering visitors that have a much higher likelihood of converting into registered leads:

- Trulia converted visitors to registered leads** → 2x better than National Web Site 1
- 3x better than National Web Site 2
- 20x better than National Web Site 3

We take the conversion analysis a step further with **Trulia Broker Partner B**, who reported results that once again favor Trulia over other online sources.

Statistics from Trulia Broker Partner B	Consumer Visitor Clicks to Registered Leads	Registered Leads to Match With Agent
Trulia Visitors	12.09%	12.32%
Large Online Traffic Source 1	12.46%	8.80%
Large Online Traffic Source 2	21.74%	9.76%

Consumer Visitor Clicks to Registered Leads = how many of Trulia Broker Partner B’s consumer leads requested contact via a form or other call-to-action

Registered Leads to Match With Agent = how many consumer leads were qualified and sent to an agent to work with the consumer

As illustrated above, Trulia visitors have the highest registered lead to agent match rate of 12.32% while still delivering comparable consumer visitor clicks to registered leads. This finding is important in that:

1. The number of leads (consumers) who are willing to work with agents is the key indicator of how seriously consumers are actually transacting.
2. There is a cost to qualifying “leads” who truly want to work with an agent. Volume is important, but conversion is more so given that the higher the conversion rate into serious customers, the lower the cost of qualifying those leads.

Trulia consumer leads started working with brokers’ agents 26%-40% more than that of other large online traffic sources.

4.0 Value of a Trulia Visitor: Increased Commission Potential

ShowingTime (ST), a leading provider of automated showing scheduling services online, worked with Trulia to identify the value of Trulia consumers versus other online traffic sources delivered to broker Web sites. With **Trulia Broker Partner C's** permission, ST provided access to traffic data from ST's Web site analytics tool to identify two key metrics in this process:

- 1) **Average listings price viewed by online traffic source.** (Note: the data below only represents homes for which a showing appointment was requested, not all homes viewed by consumers.) **Trulia Broker Partner C** reported the following average listing prices for requested showings by online traffic source:



Trulia consumer leads searched more expensive properties than those from other top online real estate traffic sources.

- 2) **A high number of buyers from Trulia contact the broker's actual listing agent**—indicating a high probability for a dual-sided transaction, i.e., Trulia visitors *always* click through to the actual listing broker Web site for a given listing³, not to any other broker Web site. Trulia Broker Partner C reported that 100% of showing requests received from Trulia were for Broker C's own listings. So the leads are often worth double the commission of other online leads since the listing broker can capture both sides of the commission.

The table below summarizes the net impact on expected commission revenue Trulia leads provide through: 1) requesting showings on more high-value homes and 2) the increased likelihood of a dual-sided transaction:

Trulia Broker Partner C Statistics	Real Estate Leads From Other Leading Web Sites	Real Estate Leads From Trulia
Average price of listing	\$ 217,000	\$ 256,000
% of leads to broker-owned listings	50%	100%
% commission	6%	6%
Average gross commission	\$ 6,510	\$ 15,360
Assume the SAME closing rate	4%	4%
= Gross commission value per lead	= \$ 260	= \$ 614

Trulia leads can be worth +136% more than leads from other online sources.

³ Trulia's business model provides that all listings in Trulia.com search results are only linked to the listing broker or agent.



5.0 Conclusions

Trulia consumers are legitimate potential customers looking to buy or sell a home in the near future with a HIGHER transaction value than your average Internet buyer:

1. Trulia consumers convert to registered leads at higher rates compared to other leading real estate Web sites in this case study.
2. Trulia consumers start working with a broker's agents at a higher rate (26%-40% more) than that of other leading real estate Web sites in this case study.
3. Trulia consumers can be worth approximately 136% more than that originating from several other top real estate Web sites.⁴

By driving the consumers directly to the broker's own listings, the broker accomplishes the following additional goals:

1. Markets the seller's home in an innovative fashion.
2. Drives consumers to the most valuable listings: broker-owned listings.
3. Shows potential sellers the marketing power and innovation demonstrated by the broker.

If you are interested in learning more about the technology resources needed to upload listings into Trulia's search engine, please refer to http://www.trulia.com/submit_feed.

For more information on Trulia services please contact:

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⁴ These are estimates only. Please see the table in Section 4.0 for detailed calculations.

APPENDIX 1: Select Broker Testimonials

"The Internet enables Keyes to market its properties to the largest number of buyers in the shortest amount of time to obtain the best possible price. Trulia makes it easy to search and find over 4000 homes directly on Keyes.com."

Andrea Nelson
VP, Marketing & PR
Keyes Company Real Estate, Miami, FL



"Illustrated Properties is always looking for new ways to connect with consumers online. Partnering with Trulia.com shows our clients that we are committed to providing an easy and efficient home buying experience on the internet."

F.F. Chappy Adams
President
Illustrated Properties, Palm Beach, FL



"Prudential Fox & Roach is always looking for innovative ways to promote the sale of our clients' properties. As the market moves into a more balanced stance between buyers and sellers it is important for us to take advantage of every opportunity to generate interest in the homes we have for sale. Trulia.com represents a new way to connect potential buyers to the experience of our Web site."

Steve Storti
Senior Vice President, Marketing
Prudential Fox & Roach, Devon, PA



"Throughout its 85-year history, Daniel Gale Sotheby's International Realty has earned a reputation for extraordinary service and professionalism. Our continued success in today's competitive landscape is reflective of our commitment to wholly embrace changes in the marketplace without losing sight of our core values or our customers' needs. Trulia has great promise as a highly effective tool to navigate online listings. We are particularly enthusiastic about Trulia's ability to maximize exposure of our clients' properties while providing a direct link to our listing agents"

Patricia Petersen
President and CEO
Daniel Gale Sotheby's International Realty, Huntington, NY



"Our customers are increasingly using the Internet to search for homes, and as a customer-centric company, our goal is to create the best experience possible for them. We are excited to partner with Trulia, as we share the same goal of providing consumers convenient access to the most current data."

Bill Hess
CEO
Century 21 Alliance, Philadelphia, PA



"Coldwell Banker Hearstside, Realtors® has always sought out new technology to market our clients' homes more effectively. We believe that with Trulia.com we will have an even greater advantage when it comes to reaching the 80% of buyers who start their home search on the Internet."

Chris Beadling
Marketing Director
Coldwell Banker Hearstside Realtors®, Richboro, PA



"Trulia understands the importance of quickly connecting home buyers with the real estate brokers and agents who are most educated about a property. As one of the largest brokers in the U.S., with our team of more than 5,000 sales associates from San Luis Obispo to the Mexican border, we serve consumers in one of the most competitive home buying markets in the country which makes it critical for us to deliver the most seamless home search experience possible to consumers, while at the same time providing the best access to property information online. At Prudential California Realty, we are proud to be one of the most progressive real estate companies in the nation and we continuously strive to maintain our pace ahead of the curve. Trulia helps ensure we are doing just that."

Nyda Jones-Church
COO
Prudential California Realty, San Diego, CA



"At Inter, our goal is to empower our agents and clients to make smart decisions during the home buying and selling process. As a broker who's seen a lot of online business models come and go, Trulia is well aligned with this goal in providing a simple, interactive search interface for consumers to get information about the markets and homes they're interested in, and then points them directly to the most detailed property information available online through our listing broker and agent Web pages."

Robert Moles
Chairman
Intero Real Estate Services, Cupertino, CA



"RE/MAX Properties recognizes that the internet is a powerful marketing vehicle. We are using Trulia.com to increase exposure of our sellers' properties and attract interested buyers. RE/MAX Properties is always seeking innovative ways to market our properties and better serve our customers. Trulia is an effective way to accomplish those goals."

Peter M. Crowley
President
RE/MAX Properties, Sarasota, FL



"Prudential Florida WCI Realty is very passionate about providing an outstanding real estate experience for our customers. Our focus is to provide the necessary tools to make the home buying or home selling process not only easier, but more enjoyable. Partnering with companies who offer leading-edge technology solutions like Trulia.com helps us drive more qualified traffic to our listings and increase the exposure of the services offered through our sales associates and our WCI Mortgage and WCI Title partners."

Rei Mesa, President and COO
Prudential Florida WCI Realty, Ft. Lauderdale, FL



"What prompted Alain Pinel Realtors to partner with Trulia was the fact that they were doing something different—and Alain Pinel Realtors has always thrived on being different. Another key factor was that Trulia appreciates the value of the listing broker and agent, plus they engaged us in a collaborative effort so they could deliver more qualified home buyers and sellers to our Web site. We look forward to further developing our business relationship with Trulia."

Ginny Cain McMurtrie
VP Director of Marketing
Alain Pinel Realtors, Saratoga, CA



"Help-U-Sell is committed to providing consumers with information and choice. This partnership with Trulia.com allows us to deliver our franchisees' listing content in a cost-effective way, to a broader cross-section of buyers."

Steve Ozonian
Chairman
Help-U-Sell, Irvine, CA



"We at Realty Executives are dedicated to putting the consumer first. With Trulia's help, consumers will be able to reach our Web site more quickly and easily, search more efficiently, and, as a result, be better informed when working with one of our Executives. Everybody comes out a winner."

John Foltz
President
Realty Executives Phoenix, AZ



"With 80 years of success assisting buyers and sellers, Long Realty is pleased to be the No. 1 real estate company in Southern Arizona. Consumers are increasingly researching homes online, and Trulia's search tool supports the Long Realty mission to create an exceptional services experience with consumers that builds long-lasting relationships. Our sales associates use the Internet to quickly deliver real estate information to their clients, and then counsel them from a knowledge base to create a more valuable experience for consumers."

Rosey Koberlein
CEO
Long Realty Companies, Tucson, AZ





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