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About US Realty Records

US Realty Records was founded in 2015 with the objective to create the most reliable and easy to interpret real estate and property record data reports.

They provide anyone who is buying or selling a home with the data they need to make critical decisions. For instance, they provide data about the neighborhood, insurance claims on the house and nearby home sales history to set the right price for a home or to make the proper offer for people in the market to buy.

US Realty Records offers memberships to website users so they can download multiple reports for a flat monthly fee.

US Realty Records decided to hire Zebra Advertisement, a leading digital marketing agency, to grow their business online and gave them the goal to generate more than **100,000 memberships** while maintaining specific profitability metrics during a **five-year period**.



Introduction



The US Realty Records project required the creation of multiple campaigns across different networks on Google. We chose to start with Search but rapidly expanded by including Display through retargeting, similar audiences, placements, in-market audiences, custom audiences based on keywords and custom audiences based on competitor URLs.

They started with a small budget but had secured the funding to quickly scale up as long as the results were within specific cost-per-acquisition metrics.

Based on what we just discussed, Zebra Advertisement's strategy consisted of breaking down the project into **three phases** to guarantee a rapid start, a strong client base, development, and profitability.

1. **Phase 1** - This first step consisted of learning more about US Realty Records' market.

We had two key learnings that we needed to create a marketing plan that would be sustainable in the long term:

- We understood what conversion rate we could achieve with the current website.
- We learned more about what spending level we could reach while maintaining a CPA below \$60.

This helped us build a profit and loss model, and helped us determine the investment level we would need to achieve the goal of a minimum of 100,000 memberships at the target CPA of \$60.

2. **Phase 2** - This phase focused on acquiring as many memberships as possible within the goal CPA that was determined in phase one (\$60). This goal CPA guaranteed enough margin to the business to generate long term profitability.

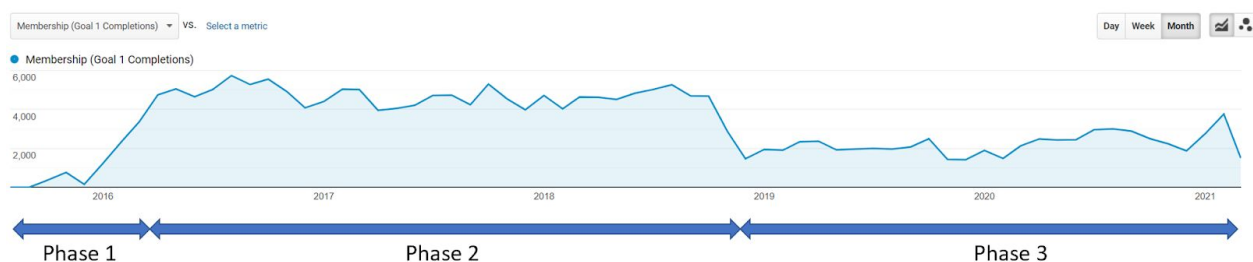
Due to an increase of competition in the real estate market, the cost-per-click increased on a monthly basis and this obliged us to keep testing bids and campaigns to meet our goals. We will have a closer look at this later in this case study.

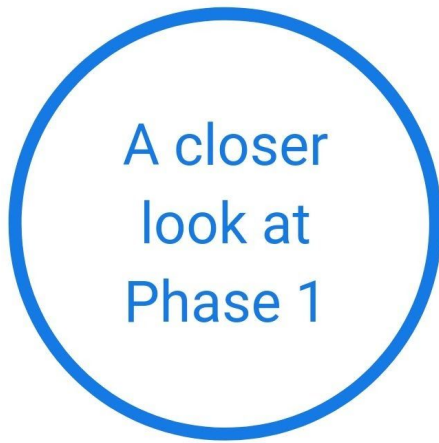
3. **Phase 3** - This is when we decided to bring the business toward profitability, capitalizing on the over 160,000 memberships that were generated and retained over the course of phase two.

We didn't completely stop acquiring customers during phase three, but we lowered the target CPA to \$50 and consequently had to strategize the whole account to achieve this goal while still generating high volume of customers.

We had to run a lot of tests and work on increasing the efficiency of the marketing funnel. Eventually, our efforts paid off and we were able to find new strategies to slowly increase new memberships. We are currently increasing the spend and the memberships per month while maintaining the new target goal of \$50.

Below are two graphs providing more information about the three phases we just described. In the first graph, you can see the amount of people that we brought to the website and in the second graph, you can see the memberships that were generated during the same time frame:





Ramp-up

1. We needed to start generating memberships in order to create an initial customer base but also to create a proof of concept for the business. Since the company was initially selling a monthly subscription, we were aware that we could have lost money on the first conversion, but we would have created profitability on the long term due to a high customer lifetime value based on our average customer retention of 12 months.
2. We started phase one focusing exclusively on Search campaigns because we believed it was necessary to first convert the users that were in the market for our product or service and were searching for keywords that matched the kind of service we were offering.
3. We soon realized that Search campaigns alone didn't have enough volume for us and we started developing Display campaigns to increase the volume of sales and get toward the desired spend at the target cost-per-acquisition of \$60. We used the following audience types on Display: **retargeting, similar audiences, placements, in-market audience, custom audiences based on keywords, custom audiences based on competitor URLs.**

A closer look at Phase 2

Client acquisition

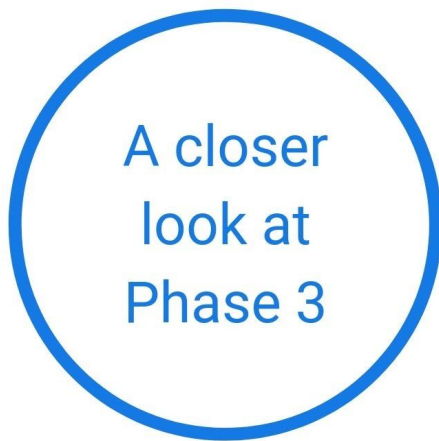
1. Phase two had the goal to generate a consistent amount of leads within the target CPA of \$60. This task, which might seem relatively easy at first glance, was actually quite a challenging one to achieve because of the constant increase in the competition and consequently in the cost per click in the real estate market.

We achieved the goal of phase two by constantly testing new Display campaigns, finding new keywords for Search but more importantly testing multiple bidding strategies while optimizing negative keywords, negative placements and ads.

Since 2015, **we created and tested a total of 233 campaigns (which included 35 Search and 168 Display Campaigns)**. We realized that the Display network was the best option for US Realty Records' growth thanks to its huge reach of new potential customers.

2. The reason why the budget wasn't increased over the course of phase two was due to the fact that we were focusing on acquiring users at an initial loss. The initial conversion didn't generate a revenue, but we had to wait for a few months of activity to make each new conversion profitable.

Therefore, we had to work with a fixed budget which we determined during phase one. US Realty Records created a revenue projection based on such a budget and meeting it was extremely important in order to satisfy the expectation of the investors.



Revenue generation

1. This phase has been implemented starting in 2018 in order to bring the business toward profitability.

The whole marketing focus has now been shifted toward customer retention in order to maximize the monthly recurring revenue generated from the users acquired in phase two.

Additionally, the company started investing in the development of a solution that is more focused on the B2B market, called **Estated**. Estated will then start developing its client base following the same three steps we have seen for US Realty Records.

2. While US Realty Records keeps generating revenue on the over 160,000 members, we are also acquiring around 3,000 users every month.

The goal of this new customer acquisition strategy is to achieve a cost per new customer of \$50 which would allow us to make the new acquisition profitable almost instantly. The final goal of phase three is to find a way to scale up the volume of conversions at \$50.

We are working on it by:

- Increasing brand recognition via video ads on YouTube.
- Increasing the amount of Display campaigns similar to what we did when we needed to find more conversions at \$60. The more campaigns we test, the more chances we have to actually find campaigns that can meet our CPA requirement.

Challenges encountered



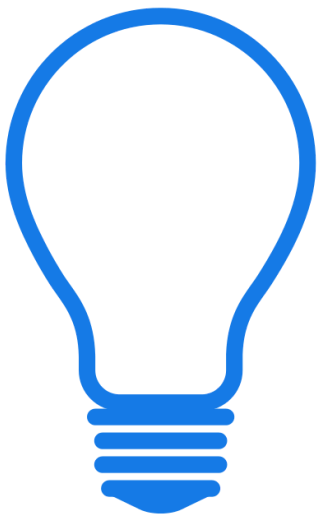
deliver a lot of traffic that won't necessarily be in-market for our products or services.

1) Investors wanting volume of sales but still having to achieve specific profitability goals (achievable by generating a \$60 CPA during phase two and a \$50 CPA by phase three).

2) The market is becoming **more competitive year after year** causing an increase in the cost-per-click. We, therefore, had to find an **aggressive optimization** strategy to keep the cost per conversion within the target parameters of the client.

3) Finding ways to scale the account with targeted traffic through Display campaigns which could easily

Zebra Helped Through Innovation



Zebra Advertisement decided to implement two strategies that would eventually work together to overcome the challenges we just listed above:

Firstly, we focused on testing campaigns. We had to test a **lot of campaigns on Display** to be able to find the ones that would convert within our target cost per acquisition which was \$60 for phase two and \$50 for phase three.

We ended up testing more than **400 Display campaigns** and ended up keeping **198 active**.

Secondly, we launched bid tests within the Display campaigns. Finding the perfect combination between bid strategies and the amount of campaigns needed to achieve our goals required quite some work.

Bid types tested: Manual CPC, Max Clicks, Target CPA, Target CPA with Cap, Maximize Conversions.

Winner: Target CPA with cap. This ended up limiting the traffic per campaign but it reached our target CPA. As a result of that, the lower the CPA goal was or the more competitive the market was, the more campaigns we needed to activate to keep up with conversion volume.

Results

New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?	Membership (Goal 1 Conversion Rate) ?	Membership (Goal 1 Completions) ?
16,216,069 % of Total: 100.04% (16,210,314)	19,774,448 % of Total: 100.00% (19,774,448)	34.46% Avg for View: 34.46% (0.00%)	5.24 Avg for View: 5.24 (0.00%)	00:02:29 Avg for View: 00:02:29 (0.00%)	1.11% Avg for View: 1.11% (0.00%)	219,009 % of Total: 100.00% (219,009)



Over **19 Million** of website sessions.



A **bounce rate extremely low at 34%** due to constant website optimization.



Over **16 Million** of users visited the website.



Users visited more than **5 pages per session** for **2:30 minutes on site**. These are great engagement metrics!



Over **219,000 memberships sold**, generating a monthly recurring income stream.



As a result of our work, US Realty Records **added 120 employees** to their workforce!



The company **increased its value to \$150,000,000.**

THANK YOU