

New Construction Conversion Playbook

The Power of the Lead

Best practices for nurturing, converting and marketing to buyers, and measuring along the way.



Foreword

When people begin their search for a home on Zillow, they're likely to be at a high-stress moment in life. The intensity of finding a new home — both in terms of the timeline and the number of moving parts — presents a unique set of problems that Zillow New Construction and its partners can help solve by working together to create a seamless end-to-end experience for home buyers.

Zillow New Construction works to empower buyers through a mix of technology and human touch that includes builder partners as trusted allies. A buyer's engagement with Zillow is, by design, also an engagement with our partners. As potential buyers move from searching to submitting an inquiry to touring, and ultimately to buying, they should encounter the best of both technology and human connection. As partners in this process, in return, you should feel confident that your investment in Zillow New Construction is effective.

To both demonstrate our value as an advertising channel to our partners, and create a positive, seamless experience that leaves our mutual customers satisfied and inspired, Zillow wants to provide you with tools to effectively measure your marketing and highlight features that offer a consistently positive home shopping experience. We can do that through a powerful platform, educational content, data, tools and technology to support buyers throughout their journey.

This book is designed to offer just that. We'll provide an overview of Promoted Communities, our New Construction advertising product, its value as an effective marketing channel, as well as an understanding of best practices for engaging with home buyers on their journey. Finally, we'll leave you with best practices to track your own marketing channels to continue to understand how to drive more value to your business.



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Part 1

Marketing attribution basics

Increasingly, potential buyers are looking for their future homes as well as communities via online searches. Your ability to understand how they found you, meet them where they are and guide them through the process is paramount to success for all. Here are key principles to help build your marketing attribution strategy.

Marketing attribution dilemma

New construction marketers use a combination of marketing channels — from digital to physical — to ensure their homes reach the awareness of potential buyers.

But marketing is no longer a guessing game — it's a science that you continually test and measure against. How can you measure which marketing efforts are working and which ones aren't? How do you even know you've identified the right audience for your marketing efforts, as well as an audience open to your messages about the benefits and joys of a new construction home?

It all comes down to marketing attribution — the act of determining which of your marketing channels are driving results. Regardless of the

channels used, the goals are the same: attract home shoppers, guide them through the buying process and sell them a new construction home.

Whatever your current marketing approach, correct attribution and reporting will help you choose the right mix of channels over time, then document and explain those choices to your decision-makers. Data-driven decisions are the easiest to justify — provided you have the right data and easy, reliable access to it.

The question to keep top of mind as you develop your marketing efforts is this: Where will you spend those marketing dollars to get the right people in the door and ultimately purchase a home?





What makes Zillow a valuable marketing channel?

Potential home buyers, whether first-timers or move-up buyers, overwhelmingly go online to begin their home-purchasing journey.

Traffic to Zillow Group's mobile apps and websites reached 229 million average monthly unique users in the second quarter of 2021, growing 5% year over year and driving 2.8 billion visits, up 10% from a year ago.¹

In 2020, the most recent full year, Zillow Group's mobile apps and websites had 9.6 billion visits, up 19% from the previous year.²

We have the audience and reach, and we've built an advertising product — Promoted Communities — to ensure home buyers have the information they need to be aware and educated on the nuances of new homes. Promoted Communities helps buyers understand how a new construction home can become a real possibility for them when searching alongside resale.

1. Google Analytics and Adobe Analytics

2. Google Analytics and Adobe Analytics



Part 2

The three-step approach:

Strategy, implementation, analysis

Before starting out on any journey, it's important to figure out where you're headed, how you'll know you've truly arrived and whether you're taking the best route. The following approach can help you refine your marketing goals, create an action plan and measure your success.

Strategy

Time to refine your marketing efforts. As you do so, remain intentional by keeping buyer types in mind. Ask yourself these questions:

- 1.** What are the key performance indicators (KPIs) for my business today? In one year? In three to five years?
- 2.** What is our most successful or most common conversion funnel?
- 3.** What channels do we actively spend effort on today?
- 4.** What is the goal or purpose of each channel?
- 5.** At what point do we consider that channel successful?
- 6.** How do we currently report on success?
- 7.** Regardless of current efforts, how do customers hear about us?





Cut through the marketing noise. Focus on the metrics that matter to help you get more appointments and land more sales:

- 1.** Cost per lead (CPL) — the amount of money spent to generate a lead
- 2.** Lead to appointment — the number of leads from a particular campaign who then took the next step to schedule a home tour or visit
- 3.** Appointment to sale — the number of those visitors who ultimately purchased a home
- 4.** Cost per sale (CPS) — what you spent that resulted in business revenue

Pro tip

Even though you might have a successful strategy in place today, you should be open to adjusting it to reflect marketplace changes. Continue to ask customers how they found you and keep an eye on other channels — what you discover might lead you to a more effective solution.



Implementation

Strategy determined? Check. Now it's time to take action!

The steps you take will vary by channel, but the data you collect from each must always be consistent and reliable — accurate with minimal mistakes or redundancies. How do you ensure that?

Here are some examples:

- Document the same walk-in buyer — “Robert Johnson” and “Rob Johnson” — only once.
- Count cookie-based users only once, even though they might enter through two or more separate domains.
- Combine a couple as a single contact in your customer relationship management (CRM) system, even if they contact your sales team independently.
- Ensure your code correctly fires a form submission only once and not on failed submissions.
- Confirm the correct settings for configurations on a third-party platform.
- Make sure that multiple data collectors (e.g., front desk staff, sales reps, call centers) complete all important and required fields in your CRM system and use the same input values for each customer.

Be consistent — data collectors should use the same methods companywide, every time.

- Ensure your code is implemented on all pages. For example, tag all forms throughout your website.
- Confirm the same naming conventions for configurations on a third-party platform. For example, use the same UTM parameters (bits of text you can add to a link that tell analytics tools more information about each link) for everyone involved in a campaign.



Analysis

How did your channels perform? What changes will you make to ensure efficient and optimized marketing spend?

Align results and goals

Can you gain any insights from your marketing efforts? If not, take what you learned and update your strategy. Draft a hypothesis of how each channel will perform; the next time you analyze the data, you can streamline your channel strategy.

Simplify and share your findings

Help your decision-makers understand the data and make an informed decision. Create an Excel spreadsheet, a PowerPoint presentation, a Tableau graph or a Data Studio report to make your findings clear and actionable.

Consider your options

No single channel can do all the heavy lifting to attract and engage home shoppers, so a multichannel strategy might be ideal for your business. Each channel can play a role along the buying journey. With enough data, you can choose a model that makes sense for you.

Keep checking your data

Analysis is not one and done; you must do it on a regular basis to generate your best results and achieve maximum efficiency. Jot a note on your calendar to complete an analysis before a budget review and at the end of each campaign. Bookmark your dashboards and make it a habit to check them regularly. You should also do an ad hoc analysis to make sure that any marketplace changes haven't affected your results.

Pro tip

Take a systematic approach to your marketing to define realistic goals, streamline your tactics and measure what works best for you. Revisit your goals and strategy regularly.





Part 3

Tools of the trade

In this industry, you often hear the phrase, “Measure twice, cut once.” As builders, you’re looking for accuracy and something that will save time and money. When it comes to marketing, measuring is more of a constant so you can tweak as you go along. There are myriad tools to help you find the recipe for success.

Multi-touch marketing

Qualified buyers are typically “touched” six to eight times — this includes seeing one of your billboards, visiting your website, browsing listing networks, engaging on social channels, receiving a direct mail or stopping by a sales center.

If you choose single-touch marketing, you’re probably missing out on channels that influence buyers’ decisions. You might be able to calculate a viable CPS, but you might be over- or under-attributing another channel.

By adopting a marketing attribution model that includes multiple touchpoints, you can draw a direct line between your communications and your conversions. It can also help your budget work smarter, not harder. Think about all those unopened emails, discarded direct mail pieces or unseen billboards — messages sent but not always received before a buyer converts.



Multi-touch marketing attribution helps you:



Reach more home shoppers



Identify the campaign(s) that helped them find you



Understand behavioral trends that convert them to buyers



Allocate budget based on data rather than guesses

Tracking pixels

Tracking pixels are invisible 1-by-1-pixel graphics that track customer activities (think website visits, email opens, form submissions and sales conversions).

When used on your Zillow listings, landing pages, contact forms, emails and newsletters, tracking pixels provide website lead conversion data from customers who found your page through these various channels.

They provide you with valuable, actionable marketing data, such as:

- Operating system and mobile device use
- Number of site visits
- Time of day the customer read the email or visited the website
- Email or newsletter open rates
- IP address, which provides data on the customer's internet service provider and location
- What customers looked at and clicked on (if you used multiple tracking pixels)



UTM codes

Which of your digital marketing campaigns reaches the most prospective buyers and brings them into your sales center? How can you do better at prompting buyers to act? Where should you allocate more of your budget?

Through Google Analytics or other tracking platforms, you can use UTM codes to accurately attribute your website traffic to a specific marketing campaign. Attach a UTM code to any custom URL that you place in an ad, post, email — anywhere you're reaching buyers online — and get highly specific data about campaign performance.



UTM codes use five parameters to gather information about how effective a campaign is:

- 1.** Source: the advertiser, site, publication, etc. sending traffic to your campaign (e.g., Facebook)
- 2.** Medium: the advertising or marketing medium (e.g., “paid-social,” “banner-ad” or “email-newsletter”)
- 3.** Campaign: the individual campaign name, slogan, promo code, etc. (e.g., “lakefront-2018”)
- 4.** Term: keywords you’re already tagging in a paid search (e.g., “xyz-community”)
- 5.** Content: keywords that differentiate similar content or links within the same ad in a paid search so you can A/B test your campaigns (e.g., “one-story-home-photo” vs. “two-story-home-photo”)

You can also easily repurpose a UTM code — or test the campaign’s efficacy — by simply changing a value in any one of the parameters for a new campaign. For example, you can change the medium from “pay-per-click” to “paid-social.”

Google Analytics

Get buyer insights from the biggest search engine on the planet. Google Analytics is a powerhouse of information about how effective your website is as a marketing tool. After you establish your website goals, you’ll see conversion reports on how your pages performed, and you can even integrate Google Search Console to analyze user search data in granular detail.



Use Google Analytics to:

- Understand how people find and use your site
- Get help interpreting your analyzed data
- Share your findings with stakeholders and decision-makers
- Organize and manage your data

Customer relationship management (CRM) system

A CRM system is a powerful tool that benefits every member of your sales and marketing teams.

Successfully engaged, a CRM system helps you:

- Attract, nurture and convert home shoppers
- Garner feedback on your most effective marketing campaigns
- Use insights to personalize your service to create a deeper, more meaningful buyer experience
- Stay in touch with past buyers to generate referrals and repeat business
- Automate repetitive tasks
- Connect to other powerful tools in your marketing tech stack

While the features and tools included in a CRM system will vary, each system offers valuable ways to help you become successful. The best CRM system is one you'll actually use.

Marketing attribution takes careful thought, but it's important and worth doing. Correct attribution and reporting will help you choose the right mix of channels over time, then document and explain those choices to your decision-makers. Data-driven decisions are the easiest to justify — provided you have the right data and easy, reliable access to it.





Part 4

Reaching buyers

Here comes the best part: connecting with buyers who have found you through your marketing. Helping people find the right home for them can be a deeply satisfying experience — but getting there takes some strategy. Engaging buyers with the right messaging in the right way is crucial to reaching that rewarding moment when you're handing over the keys to a happy new homeowner.

Promoted Communities

Home shoppers are not just searching for homes. They're looking for welcoming neighborhoods; they're looking for connection. Our Promoted Communities advertising product allows your organization to be the bridge that helps potential home buyers visualize themselves in their new homes and communities and then reach out directly to you.

Promoted Communities:

- Get brand exposure, listing features and marketing tools to market your homes effectively on Zillow.
- Show off entire neighborhoods, community amenities, lots, plans and individual home features.
- Create a direct connection with you via a dedicated Contact Builder email lead form, tour booking capabilities or a direct link to your website.
- Allow potential buyers to see exterior design options, floor plans, home and lot status, specs, plan and lot pricing, community details, sales office hours, driving instructions, builder profiles and more.
- Give you access to additional listing tools to help enhance your content, such as Builder Ratings and Reviews and Inline Community Preview.
- Let you view Zillow advertising performance on your listings and 3D tours via Builder Dashboard.

Help educate potential buyers

Zillow products help buyers learn about available new homes and engage with builders. Core listing and advertising platforms include:

- Promoted Communities
- Community Pages
- Home Detail Pages
- Builder Boost advertising

And the features to enhance your listings and reputation include:

- Builder Profiles
- Builder Ratings and Reviews
- Inline Community Preview
- On-Site Tour Booking
- Zillow 3D Home tours

It’s all about technology and human connection. Imagine home buyers on a weekend afternoon of house hunting: Cell phone in hand, shoppers see you on Promoted Communities. With a few clicks, they make appointments and follow the directions to what might be their new neighborhood. Is your on-site sales team ready to respond and nurture the interested home buyer?

Follow up with potential buyers

Zillow sends Promoted Communities leads directly to the builder. We offer a variety of opportunities for buyers to reach out — through email leads, tour requests, clicks directly to your website and inbound calls. This helps you develop a rapport with potential buyers and gives customers one main point of contact for their home-buying journey.

Tracking Promoted Communities Buyer Touchpoints

Email contacts	Capture these contacts in your CRM system, attributing the source to Zillow.
Tour requests	<p>Set up your CRM system to accept the “lead_type” field, to differentiate Promoted Communities tour requests from other contact types.</p> <p>Consider creating unique lead distribution programs and tailored call scripts to determine how buyers found you and record and respond appropriately (e.g., confirm the appointment request).</p>
External website clicks	Provide your Zillow representative with a UTM link, with Zillow as the source parameter.
Phone calls	Provide your Zillow representative with a vanity phone number through your feed to track inbound calls. For example, provide a specific phone number that routes only to your sales center.

Increase your chances of securing a successful virtual or in-person appointment with the potential buyer by following up after a call. Doing so shows not only that you're eager to work with this potential buyer, but also that you value them and respect their time — which reflects positively on you and your organization.

- Within two business hours, confirm — via text and email — the time and date of the showing. A calendar invitation is a great way to make sure everyone has the same information. Provide a tour itinerary (including where to meet up) if applicable.
- Text a few hours before the appointment if the showing is scheduled for a time more than 24 hours after the initial follow-up.

Promoted Communities Metrics to Measure

Gross leads	The raw number of leads delivered by a source. This does not exclude duplicates or bad phone numbers.
Net leads	The number of leads delivered by a source that is often deduped and/or takes out bad phone numbers.
Duplicate	A lead whose contact information already exists in your CRM system. Duplicates are typically determined by matching a phone number and/or email address. Every builder should have a window (days) in which they look for duplicates. The length of this window can drastically influence attribution.
Speed to contact	The time between a contact being submitted and when it's dialed. (Time called-Time submitted)
eCPL	Effective cost per lead; the amount spent or invested divided by leads. (Investment/Leads)
Lead to appointment (on-site visit percentage)	The percentage of leads that result in an appointment with a builder. (Appointments/Leads)
Appointment to contract or sale	The percentage of appointments that result in a contract or sale. (Contracts/Appointments)
Cost per sale	Investment divided by sales attributed to a source. (Investment/Sales)

Best practices for connecting with buyers

A successful connection call has one primary objective — to get an appointment with a potential buyer, whether virtual or in person.

Your on-site sales consultants can consider following the ACM framework (Appointment, Criteria, Motivation) for structuring all connection calls around this objective:

Appointment

Whether the lead came in as an email inquiry, tour request or nurture lead, your goal is to secure the appointment. If the home they are requesting information on is no longer available, you can let them know what similar homes are available to tour. This question should come as soon as possible in the conversation.

Keeping your available inventory as up-to-date as possible on your website and syndication sites — like Zillow and Trulia — will help the buyer better understand what homes are available to tour.

Pro tip

Be sure to phrase your message in a way that compels the prospective buyer to show up. For example, you could write, “I’ll be here at my desk at 123 Main Street for our 4 p.m. tour. Looking forward to meeting with you.”

We also recommend creating virtual assets that your team can use to nurture active, prospective buyers. For example, consider creating and sending:

- A first-time buyers guide to equip and educate buyers on the new construction buying process
- Video tours to help prospective buyers understand community amenities, floor plan options and upgrades

Examples of how to respond to different types of requests:

In-person request: “Great, when would you like to go see the property?”

Video request: “Great, I’d be happy to get you a recorded video tour for that property or do a live video tour with you from the property, and you can ask questions in real time. What works best for you?”

Criteria

Ask leads about their must-haves for a home. Highlight floor plan options, amenities, upgrades and community features within your new construction community.

Motivation

The secondary objective for the call is to learn more about the customer so you can serve them better and build rapport. The immediate justification for asking questions about their motivation is to identify other properties to tour on the same trip. We recommend asking the following questions about the person and their search:

- “What interests you about this home or community?”
- “How long have you been looking?”
- “Have you seen any other properties or new home developments?”

Use this checklist to help get the best possible response approach for buyers:

- ☐ Do you have a team dedicated to calling leads, aside from those managing on-site visits?
- ☐ Are Zillow contacts assigned to a staff member (e.g., through a CRM lead distribution program), and calls returned?
- ☐ Are you tracking Zillow phone calls?
- ☐ Are you tracking the percentage of leads you are able to connect with?
- ☐ Are you tracking your average speed to contact?
- ☐ Do you have dedicated call scripts for your Zillow leads vs. website leads?
- ☐ Do you have a process for detecting and managing duplicate leads?

Putting it all together

The opportunity before you with Zillow Promoted Communities as an effective channel in your marketing is substantial — and it's yours to seize. When builder professionals know what it takes to provide great experiences and outcomes for customers, the positives become apparent for all parties.

Working with your sales consultants and teams to adopt the best practices in this playbook for every customer you meet through Zillow Promoted Communities can help you build the conversion engine that propels your business forward.

We know you're up to the challenge — and opportunities — ahead.

