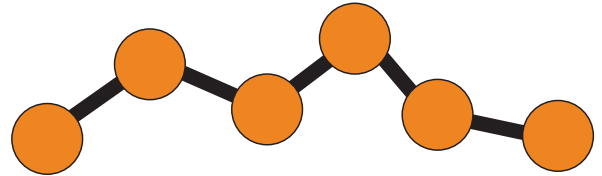


WHAT YOUR CUSTOMERS WANT



Beginning to Understand
Analytics in Real Estate

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AUDIENCE

REALTORS® and real estate associations interested in improving the user experience of their websites

REALTORS® and real estate associations seeking to understand the behavior of visitors to their websites

ABSTRACT

The purpose of this white paper is to introduce REALTORS® and others to the basics of one particular analytics tool — Google Analytics — and to explain how it can be used to improve the user experience on their websites.

OVERVIEW

Few industries have been transformed more by the Internet than real estate. Consider some of these facts¹:

- The Internet is one of the primary research sources for 9 of 10 homebuyers
- The Internet is the first resource used by 5 of 10 people when looking for a home

These numbers shouldn't come as a surprise. Yet often, real estate websites aren't sufficiently tuned into what users are looking for.

What exactly are users doing on your site? That's where analytics comes in. This white paper aims to serve as an introduction to analytics techniques, but will not offer any "you must do X if you notice Y." They're **your** users, with their

own needs and habits. Analytics — even the most basic — can help you serve them better.

When researchers began in earnest to study Web user behavior, much was made about how quickly users passed judgment on websites they were shown. In a test conducted in 2006 by Gitte Lindgaard at Carlton University, users were shown pages from websites for 50 milliseconds — that's about the duration of a single frame of a television broadcast — and they made judgments about them that later stood up to further, more in-depth scrutiny.² That is, users almost immediately judged if a website was going to provide what they needed and were looking for, and their immediate judgments were, upon closer inspection, correct and appropriate.

Your potential clients may or may not be judging your site as quickly. But what they're **definitely** doing is acting quickly when they start looking for real estate: not millisecond-quickly, but quickly nonetheless. 24 percent of new home shoppers "complete an action" on a real estate website on the first day they start looking for a home.³ They're most likely calculating a future mortgage payment, or mapping out prospective properties, or initiating contact with you. We'll talk about using analytics to understand goal conversion toward the end of this white paper.

WHAT "ANALYTICS" MEANS

First, we should note that "analytics" as we're discussing it here is not the same thing as "predictive analytics." Predictive analytics describes a set of techniques that analyze current and historical facts, in order to make predictions

¹ [Digital House Hunt, p.2](#)

² <http://www.nature.com/news/2006/060109/full/news060109-13.html>

³ [Digital House Hunt, p. 16](#)

about future, or otherwise unknown events.⁴ Compare this to Jeff Bernheisel of 1000Watt Consulting's definition of analytics⁵:

"Analytics is simply a way for you to track the activity on your website: the number of visits it receives, where people come from, how long they stay, and what they're looking at while they're on your site."

Peter O'Neill of L3 Analytics is more succinct but equally helpful:

"It's how you know what your potential customers want."

SO...WHAT DO THEY WANT?

Generally speaking, a good, user-focused agent/broker website affords users the opportunity to:

- Search for real estate
- Determine if it's a good time to buy or sell a home
- Learn how much their current home is worth
- Contact a highly-qualified agent

There are, of course, many more activities a potential homebuyer may perform on a real estate website: they may take a deep dive reading about a home's features; they may plan to drive by a property and they might need directions to homes that interest them. But these key tasks are among the most important, and even basic analytics can help you determine how your users are (or are not) finding this critical information.

⁴ http://en.wikipedia.org/wiki/Predictive_analytics

⁵ [Ask the Experts: Google Analytics for Real Estate, Part 1](#)

⁶ [Ask the Experts: Google Analytics for Real Estate, Part 3](#)

⁷ <http://repurposedapps.com>

WHAT YOU SHOULD BE LOOKING AT

Analytics can be intimidating. Google Analytics is a sophisticated tool that can generate more data than you'd ever care to look at. In fact, it's quite possible to look at too much, and consequently to feel paralyzed as to what you should really be looking at and acting upon. As Peter O'Neill of L3 Analytics has observed, "The biggest barrier to using web analytics is not having not enough data, it is having far too much and drowning in it."⁶ That said, there are some important basics.

THE BASICS

Because talking about analytics without real numbers is abstract and difficult, we're going to look at some real data from REPurposeApps⁷, a site built by the Center for REALTOR® Technology that allows REALTORS® to discover mobile applications frequently used by their fellow members. It is not an agent/broker site, but describing what we see in Google Analytics and what the data suggest to us may be helpful in orienting you toward understanding your users' behavior and needs. We'll take a tour of the following features:

- New and return visits
- Visits by traffic type
- Time on site and bounce rate
- Activity on mobile
- Goals and conversions

NEW AND RETURN VISITS

New visits are important: they're a good indicator that word is getting out about your site. New visits are one of the ways you can measure the

effectiveness of an ad campaign, coverage by the media, or some other event. REPurposedApps had an interesting 30-day period recently in which two days accounted for 36 percent of new visits:

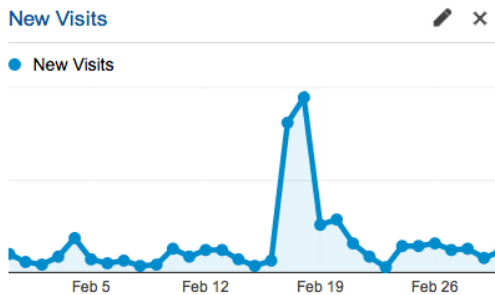


Figure 1: New visits to REPurposedApps over a 30-day period

And it just so happens that 71 percent of the visitors on February 18 — most of them new — came via a review of REPurposed Apps on a member website:

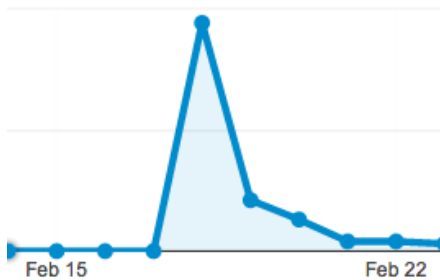


Figure 2: The spike in referral traffic from one source.

More new visits are good, of course. But it's also apparent that while our new visits increased 1,155 percent in one day, they fell 73 percent just one day after their peak. What does this suggest? It could be that while the review of REPurposedApps drove traffic, we need to work harder on the site and make it so that other more organic means of marketing — word of mouth, for example — take hold and keep our number of new visits up. In short, we might not be as memorable as we'd like to be, and we wouldn't really know that without looking at these data.

When examining your return visits, you should pay attention to fairly long durations. We would expect, for example, that return visits after a spike in activity (see figure 1, above) would remain higher than normal for a few days after the spike. What happens between the spikes is worth noting. If return visits all but evaporate between spikes in traffic, you may need to dig a little deeper to find out what visitors are doing on your site, and either offer more of that kind of content, or put it in a more findable place.

Continuing to look at our REPurposedApp's example, it's encouraging to see that return visits remained elevated after the novelty of the review of our site wore off:

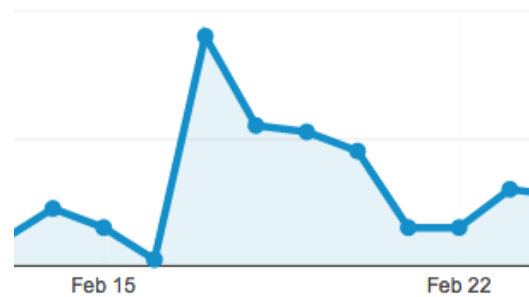


Figure 3: Return visits after a traffic spike

VISITS BY TRAFFIC TYPE

Google Analytics offers insight into how users arrive at your site:

- Directly
- By referral
- By organic search

And they're all important in their own way.

Direct traffic results from users typing your site's URL directly into a browser's address bar. It's not axiomatic, but good user experiences tend to lead to increases in direct referrers over time. If users have a poor experience on your site, they're likely to simply forget you, and they certainly won't come directly back to your site. Direct traffic is a

good sign of overall user experience health⁸ as is most referral traffic. In the last 30 days, 54 percent of the visitors to our site have arrived there by typing our URL directly into a browser’s address bar. Perhaps we benefit from a memorable name, or perhaps we’re doing a fairly good job and users are remembering where they’ve seen app reviews from fellow REALTORS®.

Organic search results are those that result from a search engine query. These are best left to another day, and perhaps another white paper on SEO (search engine optimization).

TIME ON SITE AND BOUNCE RATE

The duration of your users’ visits on your site is a very strong indication of your site’s health — it certainly means a lot to advertisers. Longer durations are certainly, in most cases, better. Why isn’t this always true? Some people claim⁹ that longer site visits can indicate user confusion, that people stay on the site because it’s taking them longer than it should to find what they’re looking for. We’re not altogether convinced this is true, but it’s a very good idea to get to know how much time users are spending on your site. In figure 4 (below), it’s clear that a good many users — too many — are spending too little time on the site. But a respectable number of them are spending between 1 and 10 minutes on the site; that seems a little long for someone who is frustrated and having a bad user experience. There might be a little truth in the “longish visits = confusion” equation, but generally speaking, any visit longer than a minute is a good visit.

Visit Duration	Visits
0-10 seconds	572
11-30 seconds	22
31-60 seconds	38
61-180 seconds	128
181-600 seconds	156
601-1800 seconds	85
1801+ seconds	15

Figure 4: Number of visits and their duration

Bounce rate is the percentage of users who come to one page on your site and then leave, and in most every case a high bounce rate is an indicator of a poor user experience. It’s tempting to think this might not be the case for a real estate website; perhaps a search leads a user to exactly the house she is looking for. You still want this potential client to fill out a contact form or sign up for your newsletter, or do something that demonstrates intent to act. Users who bounce away after one page view aren’t doing this.

ACTIVITY ON MOBILE

One of the most important things to know about your visitors in 2014 (and beyond) is how many of them are visiting your site on a mobile device. One-fifth of real estate-related searches happen on mobile devices, and Google real estate-related searches on mobile devices grew 120% percent year-over-year from 2011 to 2012¹⁰. And as of January 2014, 42 percent of Americans own a tablet¹¹. More information on phone and tablet use by real estate consumers can be found in CRT’s white paper “What’s the Context: Responsive Web Design in Real Estate.”¹²

⁸ <http://www.youtube.com/watch?v=VjtWWU3E-5U>

⁹ An Introduction to Google Analytics for Real Estate, p.28

¹⁰ Digital House Hunt, p.2

¹¹ What’s the Context? Responsive Web Design in Real Estate, p.1

¹² <http://crt.blogs.realtor.org/2014/02/25/whats-the-context-responsive-web-design-in-real-estate-white-paper/>

Considering the context for a multi-device world is essential for your site to be relevant. What is your most important call to action for consumers on a mobile device? What content should they have access to up front? Using analytics, you can determine exactly that. When you think about the mobile context of your site, it serves not only your interests, but the interests of your consumers. Mobile context should be considered in the same way you think about returning a phone call on a lead: urgency. What is it you need to provide to your consumers on a mobile device?

Your goals for mobile are most likely very different than your goals for a desktop experience. Mobile users want different things than desktop users. Typically, a user on their phone looking at your site has more focused intent than a desktop user. They are most likely traveling and preparing to reach out to you. Viewing analytics will help you identify what information is needed in those contexts. Contact information is one piece that's important as well as search. Again, these are examples only and your analytics could tell a different story.

GOALS AND CONVERSIONS

Analytics tools such as Google Analytics are wonderful at giving you data about your users' visits. While it's important to know how long users stay on your site and how deep their visits are, factors such as time-on-site and bounce rate don't give you a clear picture of the activities users complete on your site. Goals as diverse as successfully submitting a contact form, clicking on a map to find out more about a neighborhood, or using a mortgage calculator can all be tracked in Google Analytics. Think of it as being able to know which page elements the user interacts with, which is different than knowing which pages they're looking at.

18 percent of new home shoppers using a mobile phone contact a brokerage not by calling, but by

other means.¹³ Knowing how successful users are in completing a contact form on your website when they're viewing it on a mobile device is essential, and setting up goals in Google Analytics can provide you with this valuable information.

RESOURCES

A great number of books about web analytics (generally) and Google Analytics (specifically) have been written, and video resources abound. The Google Analytics YouTube Channel¹⁴ is a great place to start for those more inclined toward video learning.

¹³ Digital House Hunt, p.8

¹⁴ <http://www.youtube.com/user/googleanalytics>

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