



**Award Designation and Category:**

Direct to Consumer, Professional Services, Tech and Telecommunications,  
Data Innovation Award

**Campaign Title:**

Zillow Offers Launch

**Year the campaign took place:**

**Brand:** The Zillow Group

**Creative Agency:**

**Media Company/Agency:**

**Research Company:**

**Additional Affiliated Companies:** Lieberman Research, Deutsch  
Advertising

**Summary of the marketing challenge, methodology, insight discovered, creative execution and business impact.**

The challenge was multilayered: Define and size a new opportunity for customer growth for Zillow Group, communicate a resonant message, and deliver it to a highly targeted audience.

Methods used were qualitative and quantitative. First, we conducted in-depth qualitative research to identify deep insights and underlying emotions. Next, a concept test proved the opportunity. Then, we tested findings through a robust analytics program that required creating new data on homeowners. Analyses included media mix modeling, machine learning, survival modeling, and causal impact measurement.

The insight identified: The deeply negative emotions home sellers feel are tied to a lack of certainty, coordination and convenience when selling traditionally. Those emotions stem in part from the hassle of preparing for a sale, feeling exposed during showings and a lack of control in offer/closing phases.

The insights were taken to build the product, then a marketing campaign, with messaging touting a new “no stress, no hassle” way to sell your house to Zillow. The program's impact exceeded plans:

- Campaign performance exceeded expectations across metrics.
- \$1.4 billion in revenue vs. \$40 million previous year.
- 3X key competitor’s revenue on a time-aligned comparison.
- 2019 sales exceeded the high end of guidance provided to Wall Street.

## **Consumer Insight**

The deeply negative emotions home sellers feel are tied to a lack of certainty, coordination and convenience when selling traditionally.

## **Marketing Challenge**

In 2017 Zillow Group was at a strategic crossroads and needed to identify new opportunities to keep meeting growing customer expectations for on-demand online-driven experiences - something traditional real estate was not delivering on. Leadership recognized that we needed to evolve past a “search and find” online home site. Zillow Group needed to do more; we needed to better understand our customers, help solve their problems and deliver unmatched value. To reach our new growth goals, we had to go beyond our core competency and challenge the inertia of the original business model.

The marketing challenge was multilayered. We needed to define and size a new, game-changing line of business based on true customer need; we needed to create resonant messaging to announce the new line of business; and we needed the ability to target the right customers for messaging our new business.

To develop a new growth strategy, Zillow Group became hyper-focused on the customer. By understanding our customers’ biggest challenges, we hoped to find new opportunities to grow. Our in-depth research identified some of the biggest issues customers faced in the buying and selling process were related to timing and stress around selling their home. One of the best solutions to the issue was a new option for selling a home. The idea, Zillow Offers, would allow sellers the opportunity to sell their homes directly to Zillow, which would give them more flexibility to choose the exact day their home would sell and when they would move. It also would eliminate the need for sellers to maintain the home ready for showing every day.

The next challenge was to develop messages that explained the functional benefit of the new business while wrapping the functional message in the emotion of the insight.

The last challenge was to deliver the message to the right customer at the right time. This was not a standard analytics program, but one that required us to create some of the key data needed to accomplish the kind of targeting we wanted for a world-class marketing program that would be rolled out one market at a time.

## Methodology

The work was conducted in three key phases: deep qualitative understanding, concept testing, and advanced analytics.

1. The in-depth qualitative research was conducted among potential and recent home sellers to identify the biggest issues they faced in the selling (and buying) process. The most important issues were often tied to stress and timing related to selling a house (e.g. stress and time aligning with the purchase of a new house, stress and time needed to be ready for showings, selling the house in a certain window of time). There was often a great deal of emotion tied to the intense stress of managing the timing of selling and buying a home. The insight helped develop the new business idea, Zillow Offers, which allowed sellers the opportunity to sell their homes directly to Zillow, creating more flexibility on the timing of selling their home and also reducing hassle and prep work.

2. In a concept test we conducted among target customers, the Zillow Offers concept scored higher than any previous concept we have tested. Customers found the concept so appealing that they immediately wanted to check if it was available in their market.

3. After creating the new line of business and developing motivating messaging, we used analytics to find the right people. There were two major goals in the overarching analytical program:

- Create better customer data and better individual home data to improve our analysis.
- Conduct a series of cutting-edge analytical exercises to inform the marketing program.

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The first step of the analytics program generated customer-specific data and better individual home data. This was achieved by a series of projects that began with a very creative idea that had homeowners “claim” their home on the Zillow website to help improve their Zestimate, which is the home value estimate created by Zillow based on publicly available data and proprietary algorithms. The home-claiming project allowed us to gain more data on individual homeowners, which enabled us to find prospects and target relevant communications to them based on their modeled position in the home selling/buying funnel. This step also gave us more data on specific houses that allowed for better valuations and better offers for the Zillow Offers program.

In the second step of the analytical phase, we ran a series of specialized analyses that drove the marketing program. The analytics work included:

- Custom Media Mix Modeling (MMM) to optimize budget allocation across multiple scenarios
- Budget flighting to improve MMM accuracy
- Machine learning property transaction scoring to drive direct mail distribution, which doubled return on advertising spend (ROAS) for the channel
- Implementation of survival models to bridge cohort and real time reporting to track lead mix quality and ROAS
- Optimization of Brand, Core, and Competition SEM campaigns using survival models down funnel behavior, boosting budget efficiency by over 25%
- Multivariate testing across delivery methods and creative for email and direct mail campaigns, significantly increasing response rates
- Creation of causal impact measurement system to capture and differentiate cross channel effects at an MSA level

Alignment of unit economics to set target CPAs for detailed channel and distribution methods

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## Creative Execution

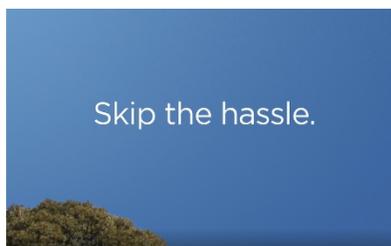
TV ad 1: "When Zillow buys your home, life gets a little less stressful because there are no repairs or open houses, giving you more time for the things you love. Visit Zillow to request your free offer."

TV ad 2: "When you sell your home to Zillow, life gets a little less stressful because by simply entering your address and answering a few questions, you can get a free no obligation offer from a name you know and trust, giving you more time for the things you love. Visit Zillow to request your free offer."



Banners: "Choose your closing date, skip the hassle, sell your home directly to Zillow. Zillow Offers."

06s video: "No open houses. Ever. And choose your closing date."



OOH 1: "Sell your home to Zillow. Yes, Zillow. The hassle-free way to sell. Zillow Offers."

OOH 2: "No open houses. Ever. Sell your home directly to Zillow. Zillow Offers."



## Business Results/Lessons Learned

The results of the Zillow Offers program have been amazing and well above plan.

- Campaign performance exceeded expectations across all metrics, especially in markets with a heavier media mix.
- In 2019 the Zillow Offers line of business reached \$1.4 billion in revenue, which was explosive compared to the roughly \$40 million for 2018. Zillow Offers revenue in 2019 exceeded total Zillow Group 2018 revenue.
- Zillow Offers Revenue in 2019 was 3X our key competitor's revenue in its third year, for a roughly time aligned comparison.
- In each quarter of 2019, our actual sales exceeded the high end of the guidance range we provided Wall Street.

Zillow Offers is a great example of how insights and analytics can be used to help drive growth through pinpointing a new business need, and informing product and marketing efforts. This program was a product of a multifunctional team that leveraged searing insights, creative tools for new data generation and complex multi-phase analytics, all of which helped define a fast-growing, new line of business and marketing campaign.

The insight and learning generated from our customer research and analytics projects gave us the courage to build and market a new, game-changing business