



2012 HOME BUYER CONVERSION REPORT

Bōkka[®] | Online Marketing
G R O U P | Managers

Produced by the Bokka Group

Conducted by the NAHB Research Center

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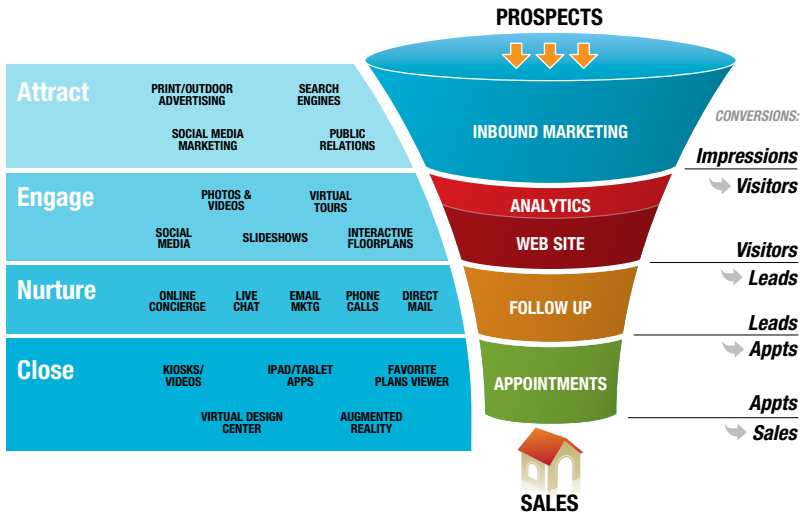


FIG 1: The conversion funnel for new home sales and marketing, as well as sample methods for converting new home prospects into sales.

SALES FUNNEL CONVERSIONS

“Fifty percent of all marketing works, the problem is that nobody knows which fifty percent.”

—UNKNOWN

AS PROSPECTS MOVE THROUGH THE NEW HOME SALES FUNNEL, THEY CONVERT from (marketing) *impressions* to *sales* as seen on the right side of the diagram above. By positioning the web site and analytics software at the core of the funnel, it’s possible to determine which marketing and sales tactics are effective, and which are not. The aim of this study is to focus on the digital tools and technologies used to facilitate conversions in 4 distinct areas of the new home marketing and sales process:

Attract, Engage, Nurture and Close (noted on the left above).

Limited data currently exists to justify the use/assess the value of existing digital marketing tools. The Home Buyer Conversion Study specifically relates to the use of these tools to convert prospects to buyers.

THE PURPOSE OF THE STUDY:

- Provide home buyer data to new home builders that does not currently exist regarding digital tools and their influence on lead conversions.
- Improve sales efficiencies and effectiveness through the use of the most effective technology tools.

THE STUDY AIMS TO ANSWER THE FOLLOWING:

1. What attracts visitors to a particular builder's web site?
 2. What tools and web site components influence buyers' decisions to provide their personal information to builders?
 3. What tools and web site components influence buyers' decisions to visit builders' sales centers/model homes?
 4. What tools and digital components (as well as content) within a sales center influence prospects' decisions to buy?
-

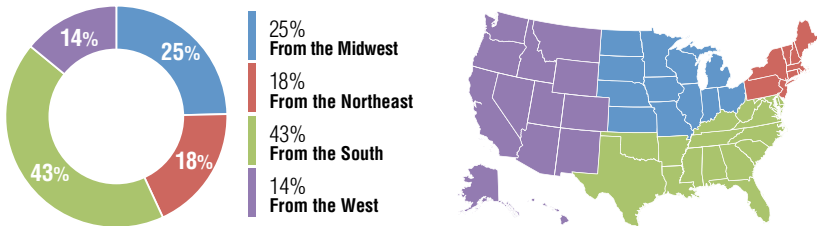
AUDIENCE DEMOGRAPHICS

THE STUDY FOCUSED ON RECENT NEW home buyers throughout the United States. The largest number (43%) of respondents were from the South, as indicated in Fig. 1 below.

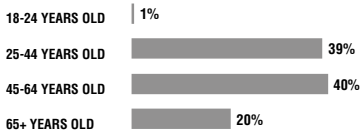
Most of the respondents were between 25 and 64 years old. The majority of respondents (83.9%) stated they were married when the study was fielded in September 2012.

FIG 1:

Geography



Age



Marital Status

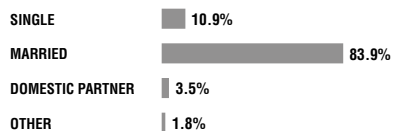
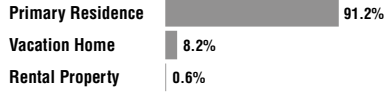


FIG 1: Since such a small percentage of participants (1%) were in the 18-24 years of age range, those respondents were excluded from the *demographic breakdowns* for each section of this report, yet were included in the overall statistics throughout.

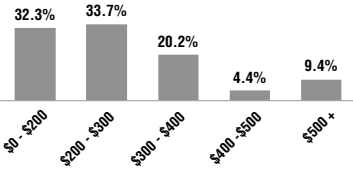
Gender



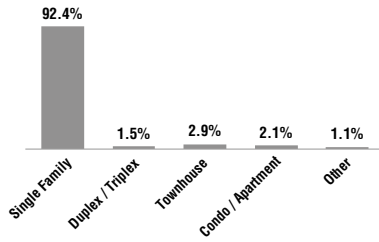
Purpose



Home price (in thousands)



Home type



First-time / Repeat buyer

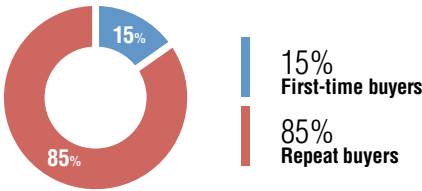


FIG 2: Demographic characteristics of the participants in the Home Buyer Conversion Study. Most of the purchases were by repeat buyers of single-family homes.

AS NOTED IN THE CHARTS ABOVE, THE MAJORITY OF participants in the study were repeat (or move-up) buyers who recently purchased single-family homes at a price point of \$300,000 or less.

There were slightly more female than male respondents, and most of the home purchases were made for the purpose of primary residence. All respondents were qualified as being involved in the decision-making process of the home purchase.

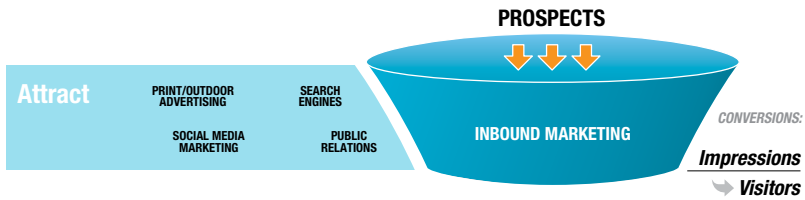
1. Tools for attracting buyers

THE TOP OF THE FUNNEL

Attracting visitors to your web site is historically where the majority of marketing budgets are spent.

FOR MANY BUILDERS, THE MAJORITY of marketing dollars are spent at this stage of the funnel: attracting potential buyers to visit and engage on the home builder website. Hundreds of thousands of dollars are spent at this level each year across multiple offline and online mediums including paid search, SEO, print, tv, radio, direct mail and more.

And yet, according to other reports, many home builders claim that **fewer than 3% of all website visitors engage online by registering for more information.**



The top of the new home sales funnel is often where most builders' marketing budgets are spent - especially as it pertains to offline advertising (print, outdoor, tv, etc.). The goal of this stage of the funnel should be to convert brand impressions into actual web site visitors. This study identifies what the top tools are for achieving these impression-to-visitor conversions.

In this survey, we wanted to specifically identify how home builders can achieve a higher return on their marketing investment by narrowing their focus to attracting website visitors that are most likely to make a purchase decision within the next 90 days.

This required moving beyond a conversation simply about monthly website traffic numbers to a more focused understanding of the two types of home builder website visitors and their online engagement patterns.

Active vs. Passive Website Visitors

Measuring website traffic by total number of visitors alone can create a disconnect between digital marketing objectives and outcomes: more traffic may not always equate to more leads and sales. Often, targeted campaigns that measure traffic by levels of engagement over total visits can produce a higher return on a home builder's marketing investment.

The quality of a website user can be measured by how a visitor initially finds a home builder website and how they engage once they are there.

Active Website Visitors:

Active visitors are those who find a home builder website through specific action such as searching for a product related term, browsing third party listing sites, or clicking on a paid ad that is specific to a home builder or new home community.

These visitors typically spend more time on a home builder website, view more pages, and complete a high-value conversion action such as subscribing for email updates, requesting pricing information, or scheduling a tour.

Passive Website Visitors:

Passive users are visitors who find a home builder website through sources that are not specific to researching a new home purchase. This can include traffic from social media, non-product specific web searches such as design ideas, or image searches.

These visitors typically spend less time on the website, view fewer pages, and register personal information at a much lower rate (if at all).

FOR THIS SURVEY, EFFORTS WERE FOCUSED on active visitors exclusively. Although we recognize that social media and other forms of marketing do play a vital role in the home builder Sales Funnel, by focusing on active visitors we hoped to identify opportunities for home builders to prioritize marketing efforts based on the needs of users most likely to purchase.

Participants in the survey were asked about the influence of five common marketing tools used by home builders to attract prospects to their website. These tools included **organic search results** (*Google, Yahoo, Bing*), **independent listing websites** (*Zillow, Trulia, NewHomeGuide*), **paid search results** (*Adwords*), **banner ads**, and **offline advertising**.

Marketing Channel Influence in Attracting Buyers to Home Builder Web Sites:

(Percent of buyers that were influenced)

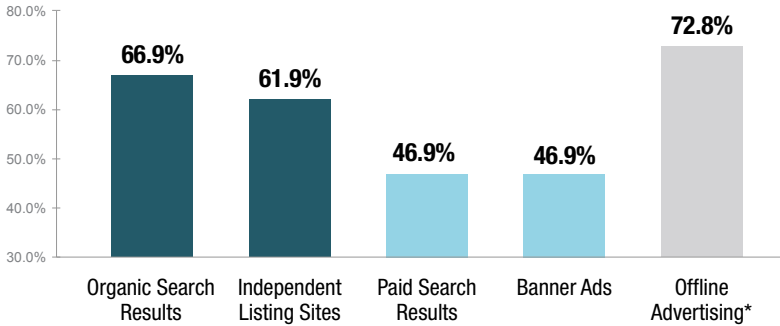


FIG 3: The influence of different marketing channels and their effectiveness in drawing buyers to builder web sites. These are primarily digital methods which are commonly used by home builders. *Offline advertising (such as print, TV, radio, etc.) is very broad and not a good apples-to-apples comparison with each of the other specific channels, but was included in the study for comparison of offline/online as a whole.

Although results varied slightly among geographical regions, age of buyers, price point and product type, a few consistent trends did emerge.

Print is Not Dead...

In all categories of age, price point, and geography, homebuyers listed offline advertising as the most influential factor in visiting a home builder's website. More than 72% cited offline advertising ahead of online forms of media. This indicates a continued need for home builders to employ integrated marketing strategies that bridge offline and online behaviors to create a seamless experience for potential buyers.

...but Paid Search Might Be

Also unanimous in all categories, online advertising including banner ads and paid search were listed as the least influential of the five sources. Although 46% of homebuyers surveyed did consider paid advertisements influential, organic search results (66.9%) and independent listings sites (61.9%) were cited as significantly more influential than banner ads or paid search.

Content is King

Of all of the online sources listed in the survey, buyers listed organic search results (i.e. Google, Yahoo, Bing) as the most influential at 66.9% collectively, as high as 80-83% for first-time home buyers between the ages of 24 and 44. Studies show that internet users are more likely to click on a search engine result than a paid search result, and that users typically do not scroll beyond page one.

HOWEVER, THE PROCESS BY WHICH BUILDERS ACHIEVE PAGE ONE SEARCH ENGINE RANKING has changed significantly due to numerous and ongoing technology updates. As a result, home builders are most likely to achieve sustainable search engine ranking by implementing a plan for frequently publishing high-quality, optimized content such as blogs, press releases and social media.

ORGANIC SEARCH RESULTS

OF ALL OF THE ONLINE TOOLS that homebuyers used to find a home builder website, two that rated similarly overall were independent sites (61.9%) and organic search (66.9%). Each of these rated equally well in each geographic region and between first-time and move-up buyers.

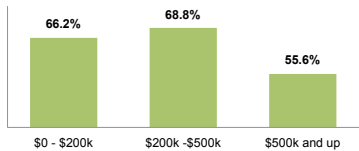
Organic search appeared to be slightly more influential at price points under \$500,000 (average 67%) than over (55.6%). Organic search was more influential with younger buyers age 25-44 (73.9%), but still relevant for buyers between 45-64 (60%) and even more so for buyers over 65 (63.9%).

FIG 4:

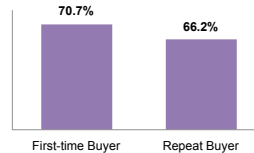
Influence of Organic Search Results in Attracting Buyers to Builder Web Sites:

(Percent of buyers that are influenced)

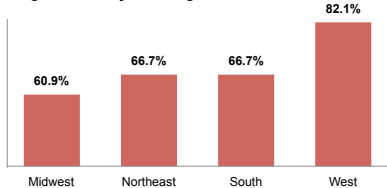
Segmented by Purchase Price



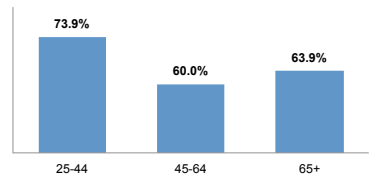
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



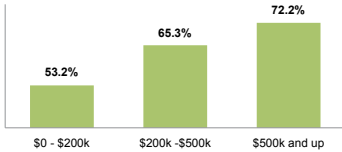
Segmented by Age of Buyer



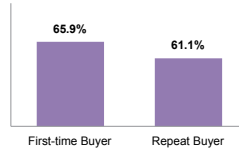
Influence of Independent Listing Web Sites in Attracting Buyers to Builder Web Sites:

(Percent of buyers that were influenced)

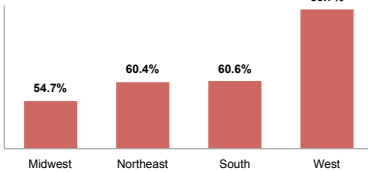
Segmented by Purchase Price



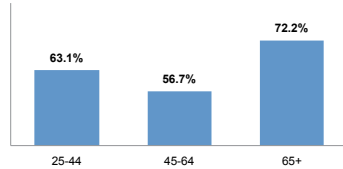
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Segmented by US Region



Segmented by Age of Buyer



INDEPENDENT LISTING WEBSITES

Survey respondents indicated that listing websites such as Zillow or New Home Source were an influential factor in their decision to visit a home builder's website. More than 61% of those surveyed indicated listing sites were important, outranking paid search and banner advertisements at 46.9% each.

Independent listings sites rated highest in the West at 85.7%, and lowest in the Midwest at 54.7%. Independent listing sites appear to be most influential with older affluent buyers. Of those surveyed, 72.2% of buyers over age 65 citing independent listing sites as influential (equally rated with offline advertising). For homebuyers who paid more than \$500,000 for their home, 72.2% reported that listing sites were influential in visiting a home builder's website.

PAID SEARCH ENGINE RESULTS

ALTHOUGH LESS THAN 50% OF SURVEY RESPONDENTS overall indicated that they were influenced to visit a home builder website from a paid search result, for certain segments paid search still performed well.

Paid search such as Adwords performed very well in the West (71.4%), for buyers between the ages of 25-44 (55%), and first time buyers (58.5%).

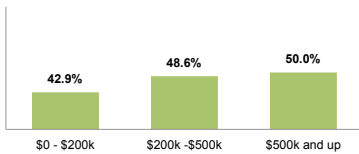
Survey results revealed that paid search appeared to be least effective in the South (41.4%), among middle-aged buyers between the ages of 45-64 (33.3%), and move-up buyers (44.4%).

FIG 6:

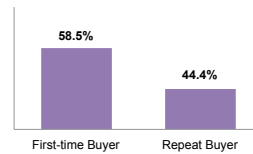
Influence of Paid Search Results in Attracting Buyers to Builder Web Sites:

(Percent of buyers that are influenced)

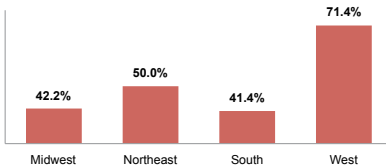
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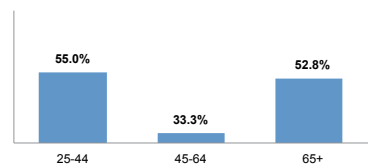
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



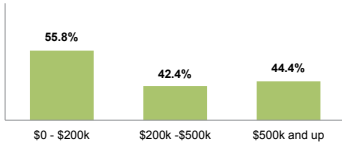
Segmented by Age of Buyer



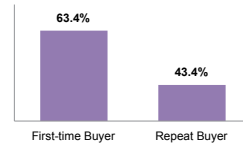
Influence of Banner Advertisements in Attracting Buyers to Builder Web Sites:

(Percent of buyers that are influenced)

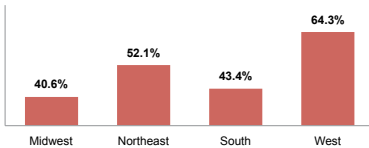
Segmented by Purchase Price



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Segmented by US Region



Segmented by Age of Buyer

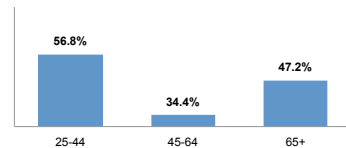


FIG 7: Banner advertisements appear to be substantially more effective in the West, and for younger, first-time buyers shopping at lower price points.

BANNER ADVERTISEMENTS

Banner advertisement scored the highest in the Northeast (52.1%) and the West (64.3%). They appear to be more influential with younger buyers between 25 and 44 (56.8%) and least influential for buyers between 45-64 (34.4%).

First time buyers (63.4%) purchasing a home under \$200,000 (55.8%) responded more favorably than move-up buyers (43.4%) between the ages of 45-64 (34.4%).

DIGITAL TOOLS THAT INFLUENCE BUYERS DURING THE RESEARCH PHASE

IT IS ESTIMATED THAT BETWEEN 1-3% of website visitors engage on a home builder website by subscribing to a newsletter, requesting more information, scheduling an appointment, or other form of opt-in. That means that for every 1,000 people who visit your site, as many as 990 leave the website without any opportunity for a sales person to engage, qualify, and nurture that lead.

Online tools that engage buyers and provide high quality information valuable to a potential home buyer's research process increases the amount of time a visitor spends on a builder website, as well as the likelihood that a buyer will register for more information.

So which tools do buyers most rely on when researching a home builder's website, and how can we create engaging online experiences that move buyers through the sales funnel?

We asked recent homebuyers to review seven of the most popular home builder website tools and tell us which one(s) they considered important during their new home research.

The seven tools included:

- Photo galleries
- Videos
- Interactive floor plans
- Virtual tours
- Reviews/testimonials
- Social media presence
- Mobile-friendly website

Items Considered Important when Researching Home Builder Web Sites

(Percent of buyers that considered item important)

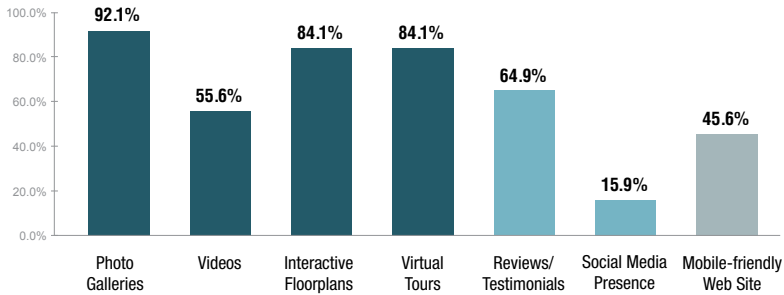


FIG 8: Buyers responded overwhelmingly in favor of Photo Galleries, Interactive Floorplans and Virtual Tours when researching the competition of home builders. They also indicated the importance of Reviews/Testimonials of other recent buyers. However, it is worth noting that not many are looking to Social Media this early in the home buying process.

THE SURVEY RESULTS THAT FOLLOW INDICATE THAT six of these seven tools represent a significant influence over buyers in all categories, and supports the inclusion of all tools except Social Media as an important tool for buyers in the research phase of the home buying process.

However, the data also suggests nuances within each category based on geography, age, price point and product type. By understanding these nuances, home builders can tailor the website user experience to increase engagement and opt-in.

PHOTO GALLERIES

FOR HOME BUYERS THAT WE SURVEYED, photo galleries on a home builder website rated as the most influential online tool overall when researching a home builder’s website at 92.1%. In the South and Midwest regions, 93.9% and 92.2% of respondents respectively indicated that photo galleries are important for their research process. This was also true for buyers between the ages of 25–64 and for move-up buyers who purchased a home between \$200,000 and \$500,000 (all above 90%).

Over 85% of buyers in all age ranges, prices ranges, and geographical stated photo galleries are influential when researching a new home purchase.

FIG 9:

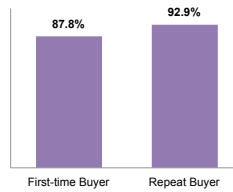
Importance of Photo Galleries when Researching Home Builder Web Sites:

(Percent of buyers that considered them important)

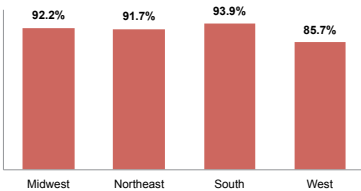
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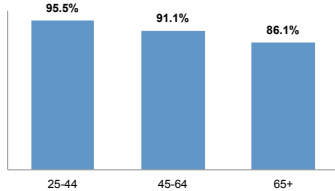
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Segmented by US Region



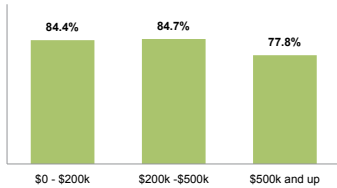
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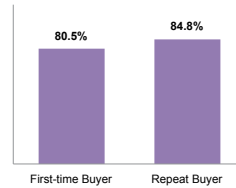
Importance of Virtual Tours when Researching Home Builder Web Sites:

(Percent of buyers that considered them important)

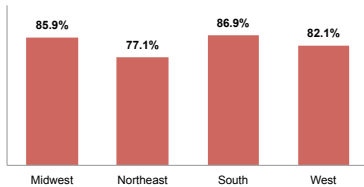
Segmented by Purchase Price



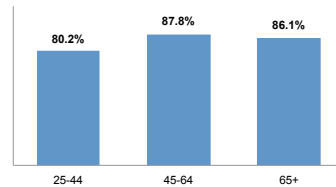
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



VIRTUAL TOURS

Of all respondents that we surveyed, virtual tools and interactive floorplans rated second only to photo galleries as an important tool when researching a new home purchase on a home builder's website.

Virtual tours were rated highest in the South (86.9%) and among homebuyers who purchased a home with a price point below \$500,000 (84.5% average). Virtual tours were also more important to repeat buyers, with 84.8% of survey respondents indicating virtual tours were an important part of their online research phase.

INTERACTIVE FLOOR PLANS

INTERACTIVE TOURS TIED WITH VIRTUAL TOURS AS A HIGHLY IMPORTANT TOOL for recent homebuyers, with a 84.1% overall ranking from survey respondents who purchased a home in the last two years.

Interactive floor plans scored highest in the Midwest (89.1%) and the West (85.7%). More than 83% of survey respondents in all age categories reported interactive floor plans as important.

The vast majority of buyers (88.3%) shopping at price points below \$200,000 indicated that interactive floor plans were important in their decision making process.

FIG 11:

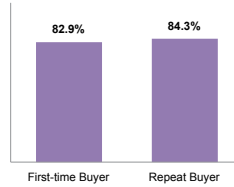
Importance of Interactive Floorplans when Researching Home Builder Web Sites:

(Percent of buyers that considered them important)

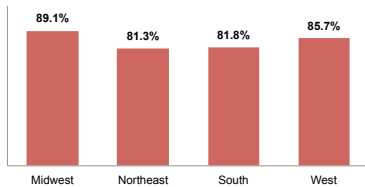
Segmented by Purchase Price



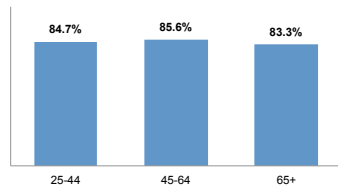
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



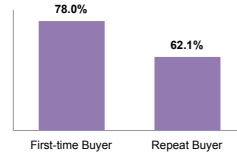
Importance of Reviews and Testimonials when Researching Home Builder Web Sites:

(Percent of buyers that considered them important)

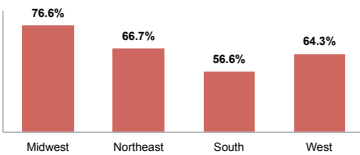
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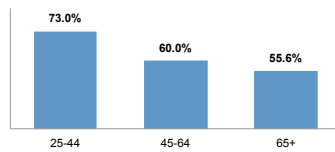
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



REVIEWS AND TESTIMONIALS

Of the homebuyers that we surveyed, reviews and testimonials were an important part of the research process for 64.9% of respondents.

Although testimonials were important for all respondents, they were particularly influential for first time buyers (100%) between the ages of 25-44 (99.1%).

Testimonials were also an important part of the research process for homebuyers who purchased homes with a price point above \$500,000 (100%).

VIDEOS

Videos were also considered an important part of the process of researching a new home for more than half (55.6%) of all respondents.

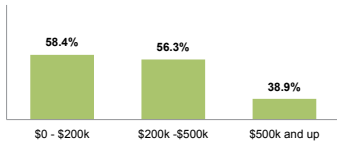
Videos were most influential in the South (60.6%) and Midwest (60.9%) as well as with buyers over 45 years old (66.1% average). Video was also considered more important for buyers at the lower price points (under \$500,000), and only slightly more important for move-up buyers (56.6%) than first-time buyers (51.2%).

FIG 13:

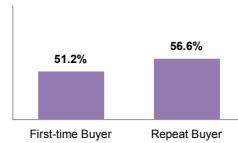
Importance of Videos when Researching Home Builder Web Sites:

(Percent of buyers that considered them important)

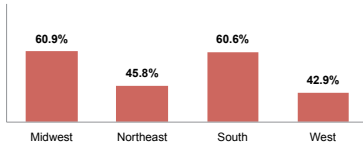
Segmented by Purchase Price



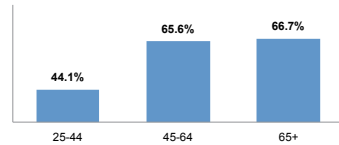
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



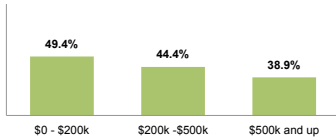
Segmented by Age of Buyer



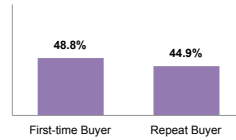
Importance of a Mobile-Friendly Web Site when Researching Home Builder Web Sites:

(Percent of buyers that considered it important)

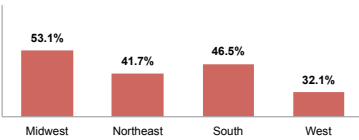
Segmented by Purchase Price



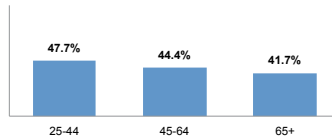
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



MOBILE-FRIENDLY WEBSITE

The ability for homebuyers to access a home builder website from a mobile device such as a Smartphone or tablet was important for 45.6% of all survey respondents. This was more important for buyers in the Midwest (53.1%) and the South (46.5%).

Mobile-friendly websites were rated fairly similarly in importance among all ages of buyer (44.6% average). The importance gradually decreases as homes get more expensive, however, with 38.9% of buyers at the highest price point category indicating its importance at this stage of the buying process.

SOCIAL MEDIA PRESENCE

Perhaps the most surprising results were those reported regarding social media's value during the process of researching potential new home builders.

Although 15.9% of survey respondents did indicate that a home builder's social media presence was important when researching a new home purchase, it rated lowest by far of the seven tools in the survey.

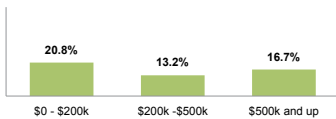
THE MOST UNEXPECTED PORTION of the demographic report was that the youngest buyers considered social media less important than the older ones, with ages 45-64 scoring this medium highest in importance.

FIG 15:

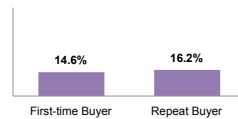
Importance of Social Media Presence when Researching Home Builder Web Sites:

(Percent of buyers that considered it important)

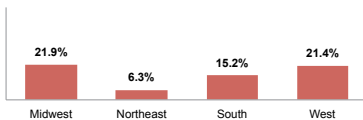
Segmented by Purchase Price



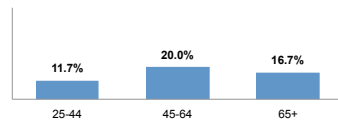
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



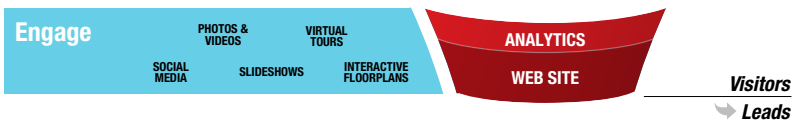
2. Tools for engaging buyers

ENGAGING AND ANALYZING

IN THE FIRST SECTION WE IDENTIFIED THE DIFFERENCE between active and passive home builder website visitors. We discussed the unique online engagement patterns of each group and why measuring traffic in terms of quality over quantity can lead to a higher return on marketing investment for home builders.

We reviewed that active website visitors spend more time on the website, view more pages, and are more likely to convert from an anonymous website visitor to an engaged lead.

But that's only part of the story.



When positioned as the hub of a builder's funnel, the web site becomes the most valuable tool for engaging prospects and converting them to leads. This tends to have a lower investment price tag, yet is extremely accountable in terms of tracking the sources of leads.

JUST AS DIFFERENT PROSPECTIVE BUYERS WHO VISIT YOUR SALES OFFICE are at different stages of the buying process, prospects who visit your home builder website are also at different stages of the process. The tools that attract them to your website (SEO, listing sites, paid search) and initial engagement tools (photo galleries, interactive floor plans) may be the same, but that is where the similarity ends.

Buyers will opt-in and engage on a home builder website for very different reasons based on where they are in their own decision making process. Different buyers need different types of information, different methods of contact, and different forms of lead nurturing after they register.

The 3 Online Engagement Patterns of Active Visitors

Active home builder visitors are prospective buyers that are actively researching a new home purchase. They can engage with a home builder website in three different ways:

Gathering Information

These buyers may be looking at multiple neighborhoods, comparing new and resale, still saving for a down payment of have a home to sell. Frequently referred to as “C” buyers, they want to passively receive more information such as email or social media updates. They are more likely to register with more than one home builder website at a time at this stage. They are less likely to actively engage a salesperson by phone or email directly.

Narrowing Choices

These are buyers who have typically narrowed their search to a specific price, neighborhood, and plan preference. Buyers at this stage are looking for offline information to support their online research. This can include specific information about pricing, promotions, features, current availability or financing. They typically are willing to engage a salesperson directly in order to obtain accurate information quickly, but may spend more time narrowing their choices further before scheduling an on-site tour.

On-Site Appointment

These are often the buyers who have completed the bulk of their research including pricing, availability, and financing. They may have been to the home builder website several times before requesting an appointment, and also may have previously registered at one of the other stages.

In this section of the survey, we asked survey participants to tell us which method of communication they were most likely to use to engage with a builder at each of these three stages.

Results for this section of the survey indicate significant differences in how buyers engage at each of these three stages based on geography, price point, product type and age.

This information offers insight about how builders can segment audiences and create personalized online user experiences that boost conversion and lower cost-per-lead.

Building Trust with Home Buyers

A visitor on your website is not that different than a buyer who enters your sales office. They arrive with the same question: “Can I trust you?”

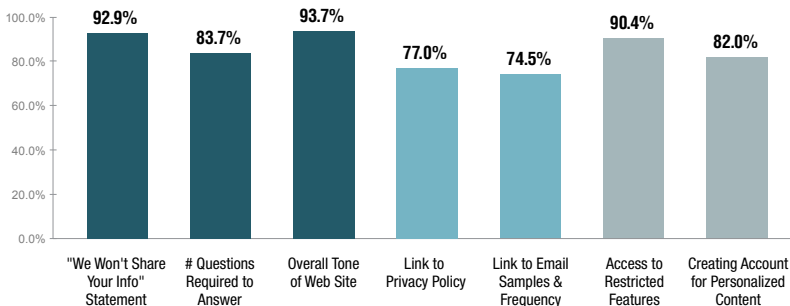
Just as trust is defined in the sales office by a friendly, knowledgeable sales professional, a well-designed model home complex and a clean jobsite, there are specific benchmarks for establishing a buyer’s trust online as well. When buyers visit a new home builder’s website, the builder has only seconds to establish that trust and minutes to nurture it.

In our last section we explored some of the interactive tools that buyers find useful in researching a new home purchase such as photo galleries and interactive floor plans. The next step in a sales funnel driven online campaign is to convert those anonymous visitors to engaged leads.

For this section, we asked homebuyers to rate seven different tools that are most likely to make them feel comfortable enough to register personal information including name, email, phone, address, and plan and product preferences on a home builder website.

Items that Influence Buyers to Provide Their Contact Information to Home Builders

(Percent of buyers that are influenced)



The seven tools that make buyers comfortable giving you their personal information (and becoming a lead):

Overall tone of website, Statement that personal information will not be shared with third parties, The ability to gain instant access to restricted areas, The length of the opt-in form, The ability to create an account to save personal preferences, A link to a privacy policy, A link to email samples and frequency information.

OVERALL TONE OF WEBSITE

For homebuyers included in our survey, the overwhelming factor in influencing a buyer whether or not to provide their contact information was overall tone of the home builder's website (visuals, voice, brand, user experience) at 93.7%.

Tone of site rated equally well in all geographical regions

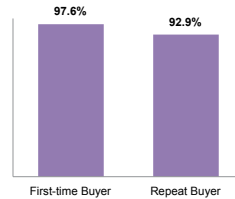
Influence of Web Site Tone on Buyers' Decision to Share Contact Info with Home Builders

(Percent of buyers that are influenced)

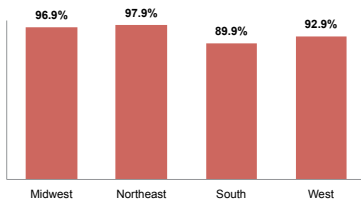
Segmented by Purchase Price



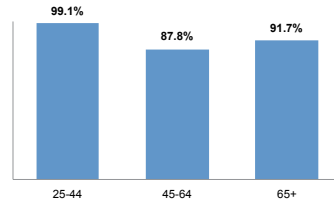
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



and price points, and rated particularly well for younger buyers ages 25-44 (99.1%), first home buyers (97.6%), and buyers who purchased a home in the \$200,000 to \$499,999 price range (94.4%). Overall tone of a home builders website rated highest in most categories, including geographical region, price point and age. However, in three categories homebuyers indicated that a clearly stated commitment not to share info was important in determining whether to provide their information: buyers between the ages of 45-64, buyers who purchased a home under \$200,000, and buyers who purchased a home over \$400,000.

For move-up buyers, overall tone of website and a statement that the builder would not share their information with third parties rated as equally influential in determining whether to provide personal information online.

“WE WON’T SHARE...” STATEMENT

SURVEY RESPONDENTS INDICATED THAT A CLEARLY VISIBLE STATEMENT on a home builder’s website indicating that their personal information would not be shared with third parties was second most important overall in determining whether they would register online.

92.9% of all survey respondents indicated that this was important, and it was most important for buyers between the ages of 45-64 (90%), buyers who purchased a home priced below \$200,000 (94.8%), and buyers who bought a home with a purchase price in excess of \$500,000 (94.4%). Geographically, this was most important for buyers in the Midwest. 100% of Midwest survey respondents indicated that this was influential.

FIG 18:

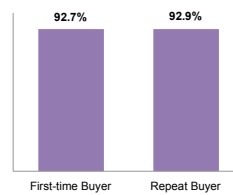
Influence of “We Won’t Share...” Statement on Buyers’ Decision to Share Personal Info with Home Builders

(Percent of buyers that are influenced)

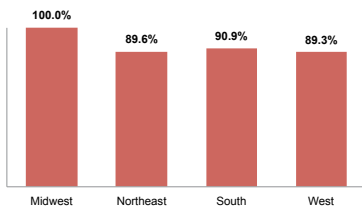
Segmented by Purchase Price



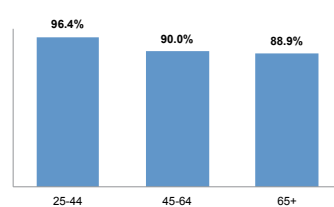
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



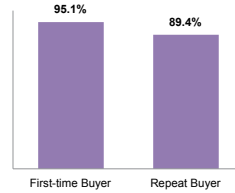
Influence of Restricted Features Access on Buyers' Decision to Share Contact Info with Home Builders

(Percent of buyers that are influenced)

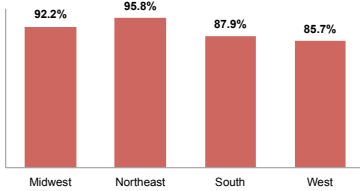
Segmented by Purchase Price



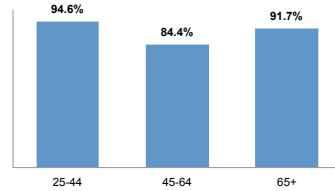
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



ACCESS TO RESTRICTED CONTENT

Of the home buyers that we surveyed, 90.4% indicated that access to restricted areas of the website is influential in deciding whether or not to engage with a home builder online by providing personal information.

This was most influential for buyers in the Northeast (95.8%), buyers between the ages of 25-44 (94.6%), and buyers purchasing a first home (95.1%) under \$200,000 (94.8%). In each category including age, price point, and geography, more than 85% of survey respondents indicated that this was an influential factor in their decision to opt-in with an email address or other personal information.

LENGTH OF OPT-IN FORM

For home buyers who participated in the survey, the number of questions required on the home builder's contact form was an important decision for buyers in determining whether or not to provide contact information. In fact, 83.7% of all respondents indicated this was highly influential.

The influence of the number of questions on a contact form was equally weighted across all geographic regions and price points. This factor was less important to buyers over 65 (72%) than younger buyers between the ages of 25 and 44 (88.3%), but was equally important for first time buyers and first move-up buyers.

FIG 20:

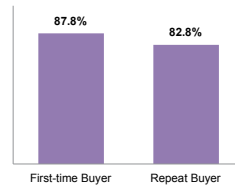
Influence of Form Length on Buyers' Decision to Share Contact Info with Home Builders

(Percent of buyers that are influenced)

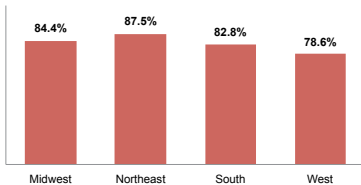
Segmented by Purchase Price



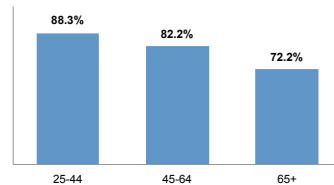
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



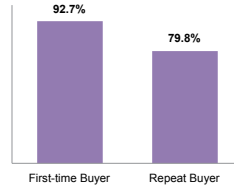
Influence of Personalized Content on Buyers' Decision to Share Contact Info with Home Builders

(Percent of buyers that are influenced)

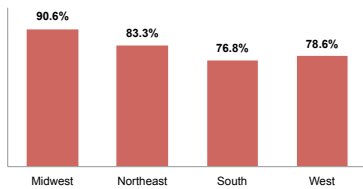
Segmented by Purchase Price



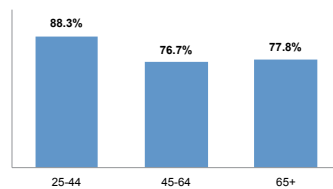
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



ACCESS TO PERSONALIZED CONTENT

The ability to register and create an account on a home builder website to save information such as favorite floor plans, configurations, and access additional information to personalize the experience of researching a new home purchase was important to 82% of the home buyers included in the survey.

This feature was most important to first time buyers (92.7%) and buyers in the Midwest (90.6%). This also rated highly with younger buyers between 25-44 (88.3%). Home buyers who purchased a home in excess of \$500,000 gave this feature the lowest rating at 66.7%, but the majority of this group did find the feature influential in planning a new home purchase.

LINK TO PRIVACY POLICY

In our survey, 77% of home buyers who participated indicated that a link to a page that outlines the home builder's privacy policy was an influential factor in determining whether or not they trusted the builder enough to provide personal information including name, phone number, and email.

This rated highest among buyers between the ages of 45-64 (80%) and home buyers in the Midwest (84.4%).

This feature rated equally well in all geographical regions, price points, and product types.

FIG 22:

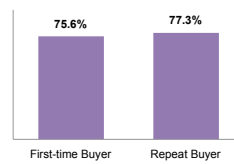
Influence of Prominent Privacy Policy Link on Buyers' Decision to Share Contact Info with Home Builders

(Percent of buyers that are influenced)

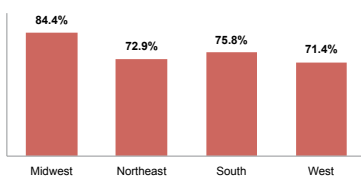
Segmented by Purchase Price



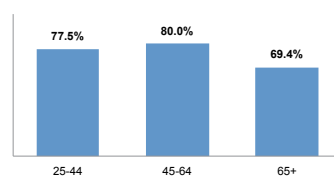
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



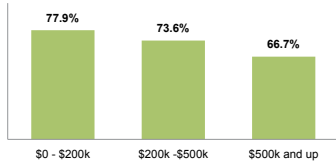
Segmented by Age of Buyer



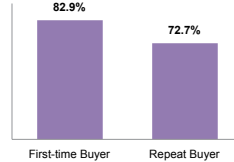
Influence of Link to Email Samples/Frequency on Buyers' Decision to Share Contact Info with Home Builders

(Percent of buyers that are influenced)

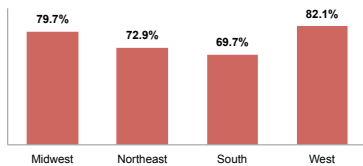
Segmented by Purchase Price



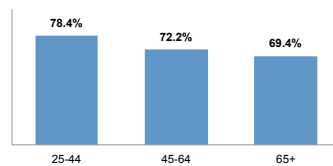
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



LINK TO EMAIL SAMPLES AND FREQUENCY

Of the home buyers who participated in the survey, 74.5% indicated that the ability to view email newsletter samples and frequency information was important in determining whether or not to provide an email address to subscribe.

This feature rated highest in the Western region (82.1%) and for first time buyers (82.9%). The majority of survey respondents in each price, age and geographical category indicated this was an important feature, though it did rank lower overall among buyers over 65 (69.4%) and those who purchased a home priced above \$500,000 (66.7%).

REASONS TO REGISTER ONLINE

Beyond the seven trust building tools that represent best practice standards for home builder websites, buyers also indicated that the ability to immediately access high value information was very influential in determining whether or not to register on a home builder website.

Unlike the home builder best practice tools in the last section, how buyers define high quality information will vary significantly based on the type of home they are purchasing, their own level of home buying experience, and the market in which they are purchasing.

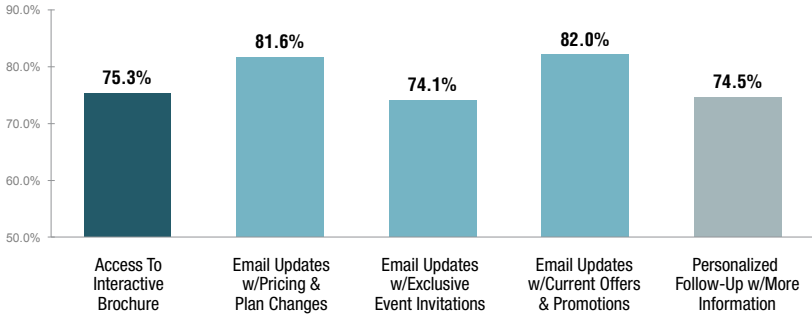
To help us better understand how each of these factors can help builders target their lead conversion and lead nurturing strategies, we asked buyers in all categories to rank five different types of information that they would be willing to register a name and email address to access.

THESE INCLUDE:

- Email updates about current promotions or offers
- Email updates about current pricing and availability
- Immediate access to a high-resolution, interactive brochure
- Follow up from a Sales Agent with more information
- Email invitations to exclusive VIP events

Items for Which Buyers are likely to Provide Their Contact Information to Builders

(Percent of buyers that are likely)



OVERWHELMINGLY, BUYERS WHO PARTICIPATED in our survey (in all categories) demonstrated a willingness to register online in exchange for high quality information that is relevant to researching a new home purchase.

The data also suggests that strategies for converting website visitors to website leads may vary from one new home community to the next, even those offered by the same builder, based on product type, price point, and audience.

EMAIL UPDATES ABOUT CURRENT OFFERS OR PROMOTIONS

OF ALL OF THE REASONS LISTED IN OUR SURVEY that would influence a buyers to provide personal information online, home buyers rated the ability to receive emails about current promotion or offers highest at 82% overall.

Home buyers in all geographic regions indicated that they would be willing to provide an email address in exchange for this information, and it was particularly important for buyers in the Western (89.3%) and Northeast (85.4%) regions.

FIG 25:

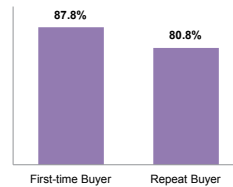
Likelihood that Buyers Will Provide Their Contact Info in Exchange for Email Updates with Current Offers/Promotions

(Percent of buyers that are likely)

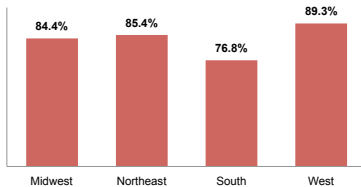
Segmented by Purchase Price



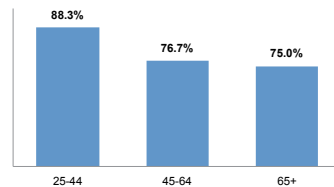
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



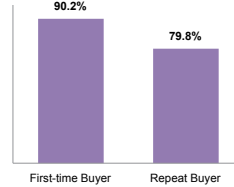
Likelihood that Buyers Will Provide Their Contact Info in Exchange for Email Updates with Pricing/Plan Changes

(Percent of buyers that are likely)

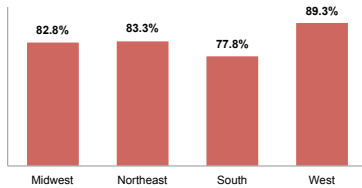
Segmented by Purchase Price



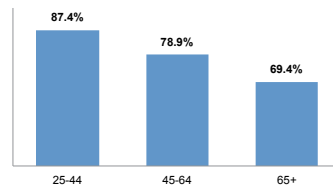
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



EMAIL UPDATES ABOUT CURRENT PRICING OR AVAILABILITY

A HIGH PERCENTAGE (81.6%) OF HOME BUYERS in our survey also indicated that they would be willing to provide personal information in order to receive email updates about current pricing and availability for a new home community.

This was rated most favorably by survey participants in the West (89.3%), first time buyers (90.2%), and buyers who paid more than \$500,00 for their new home (88.9%).

ACCESS TO INTERACTIVE BROCHURE

75.3% OF HOME BUYERS WHO PARTICIPATED in our survey indicated that they would be willing to register on a home builder website in exchange for the ability to instantly download a high resolution new home community brochure.

This feature was rated highest among first time buyers (82.9%) and buyers who purchased a home priced under \$200,000 (83.1%) and was equally important for buyers in all geographical regions.

The majority of buyers over age 65 (63.9%) indicated a preference for this feature, though this group rated it lower than younger buyers between 25-44 (75.7%). This feature was most popular with participants between the ages of 45-64 (78.9%).

FIG 27:

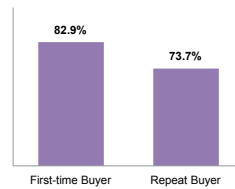
Likelihood that Buyers Will Provide Their Contact Info in Exchange for Access to Interactive Brochure

(Percent of buyers that are likely)

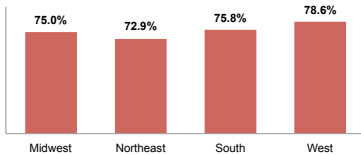
Segmented by Purchase Price



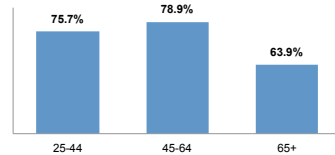
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



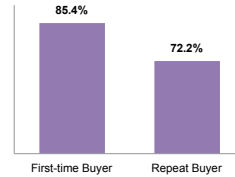
Likelihood that Buyers Will Provide Their Contact Details in Exchange for Personalized Follow-up w/More Information

(Percent of buyers that are likely)

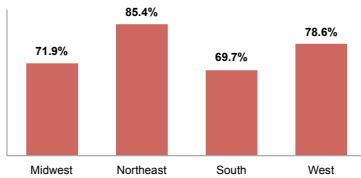
Segmented by Purchase Price



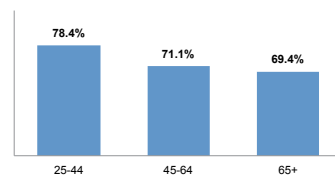
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



PERSONALIZED FOLLOW UP FROM A SALES AGENT WITH MORE INFORMATION

The majority of survey participants (74.5%) indicated that they would be willing to register personal information on a home builder website in order to receive follow up from a Sales Agent who could offer additional information.

The ability to register online to request Sales Agent follow up was particularly important for younger home buyers between 25-44 (78.4%), first home buyers (85.4%), and home buyers located in the Northeast (85.4%).

EMAIL INVITATIONS TO EXCLUSIVE EVENTS

BUYERS IN OUR SURVEY INDICATED A STRONG INTEREST (74.1% overall) in receiving email invitations to exclusive events, though it did rank lower than other opportunities to engage.

This was most popular among buyers in the West (82.1%) and buyers purchasing a home over \$500,000 (83.3%). However, first time buyers (87.8%) also indicated that they would be willing to register personal information to be included on a special email invite list.

This was least popular with buyers purchasing at the \$200,000 to \$500,000 price range (70.8%).

FIG 29:

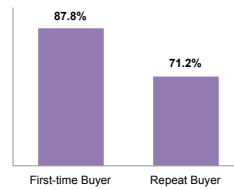
Likelihood that Buyers Will Provide Their Contact Info in Exchange for Email Updates with Event Invitations

(Percent of buyers that are likely)

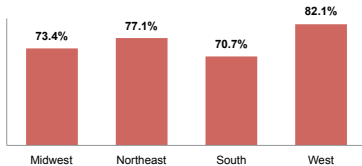
Segmented by Purchase Price



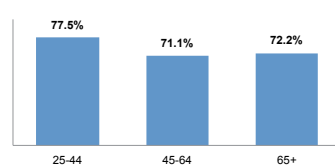
Segmented by 1st-Time / Repeat Buyer

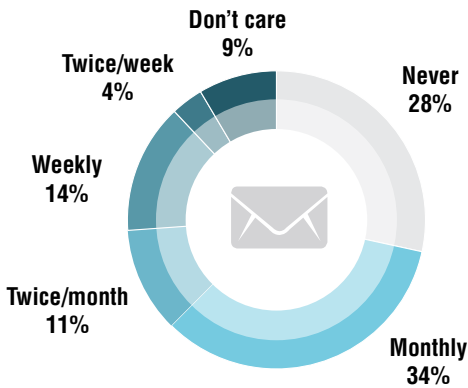


Segmented by US Region



Segmented by Age of Buyer





How often would you want to receive **relevant email updates** from a prospective builder?

FIG 1: While it appears that many prospects don't mind receiving multiple emails from a prospective builder each month, this approach may turn off the large number that would prefer one email per month. Therefore **monthly** seems to be the least common denominator.

FREQUENCY OF EMAIL UPDATES

WHEN IT COMES TO ESTABLISHING TRUST among buyers, registration is only part of the equation. The frequency and quality of follow up information during the lead nurturing phase is also a critical element of the online sales cycle.

In our survey, we asked home buyers to indicate how frequently they prefer to receive emails once they register on a home builder website. Assuming they have opted-in, it's unlikely that any of these subscribers would fall in to the **never** category shown in the chart above. The results indicate a monthly approach would satisfy the largest number of prospects.

PREFERRED METHOD FOR REQUESTING MORE INFORMATION

BUYERS ENGAGE WITH A HOME BUILDER THROUGH THE builder's website differently based on where they are in the decision making process. A prospective buyer who is just starting to search for a new home may spend more time viewing photo galleries and join a builder's social media page. A buyer who is already pre-qualified with a lender may be looking for specific pricing and current availability information.

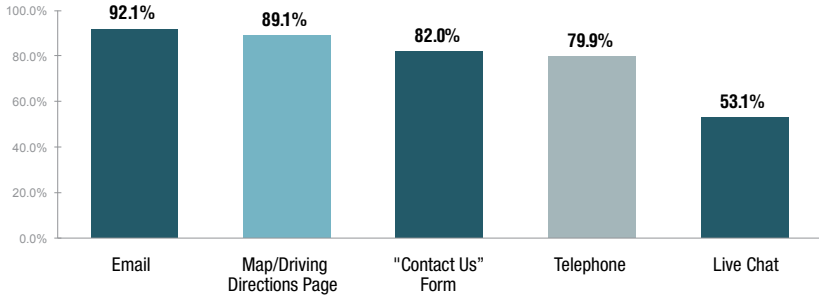
By understanding online engagement patterns based on where a buyer is in their buying cycle, homebuilders can better measure the quality of their traffic. By examining how those buyers are most likely to take the next step based on the type of home they are buying and the market they are buying in, builders can improve the online user experience and make it easier for engaged buyers to take the next step.

In this section, we asked survey participants to tell us which methods they would be most likely to use to request more information from a home builder website. Respondents provided feedback on the following five methods of contact:

- Email
- Map and driving directions to a specific location
- A "Contact Us" form
- Telephone
- Live Chat

Home Buyers' Preferred Methods of Getting More Information when Visiting Builder Web Sites

(Percent of buyers that are likely)



BY IDENTIFYING THE PREFERRED METHODS of contact for each home buyer category including geographical region, age of buyer, purchase price and product type, home builders can optimize the online experience based on their specific audience to achieve a higher conversion of visitors to prospects.

EMAIL

FOR HOME BUYERS IN OUR SURVEY, THE MOST POPULAR method of contacting a builder for more information was email at 92.1%.

Email rated highest in the Northeast (97.9%) and the West (96.4%). Email also rated highest for first time buyers (95.1%), younger buyers between the ages of 25-44 (94.6%) and buyers purchasing a home priced over \$500,000 (94.4%).

FIG 32:

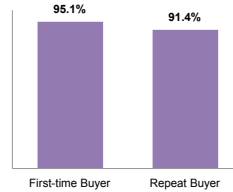
Buyers that are Likely to Use Email as Method of Getting More Information when Visiting Builder Web Sites

(Percent of buyers that are likely)

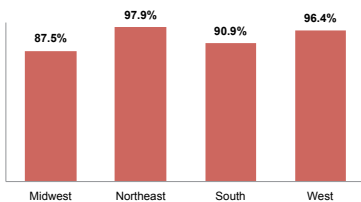
Segmented by Purchase Price



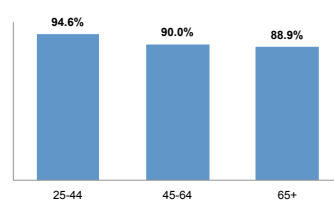
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



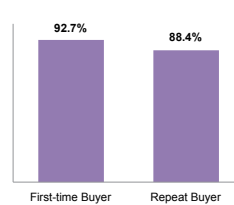
Buyers Likely to Use Map/Directions Page as Method of Getting More Information when Visiting Builder Web Sites

(Percent of buyers that are likely)

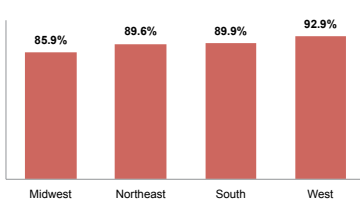
Segmented by Purchase Price



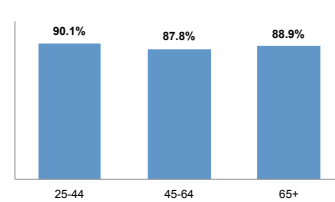
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



MAP/DIRECTIONS PAGE

SURVEY PARTICIPANTS INDICATED THAT easy to find directions on a home builder's website were the second most preferred way to get more information from a home builder. In fact, 89.1% of all respondents rated this as very important.

This feature rated highest among home buyers who purchased a home in excess of \$500,000, with 100% of survey participants in this category reporting this as an important website feature. Directions to a physical location rated well in all price, age, product type and geographical locations among participants. Within each category, buyers rated the importance of this feature at 85% or higher.

“CONTACT US” FORM

THE THIRD MOST PREFERRED METHOD of requesting more information for visitors on a home builder website was a “contact us” form. This weighted equally among first home buyers (85.4%) and move up buyers (81.3%), as well across ages categories including younger buyers between the ages of 25-44 (82.9%), 45-64 year olds (80%), and buyers over 65 (83.3%).

The contact us form rated higher in the West (89.3%) and the Northeast (87.5%). This method rated highest among buyers who purchased a home in excess of \$500,000 (94.4%).

FIG 34:

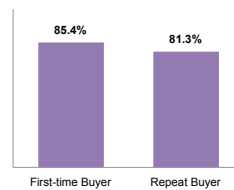
Buyers that are Likely to Use a Contact Form as Method of Getting More Information when Visiting Builder Web Sites

(Percent of buyers that are likely)

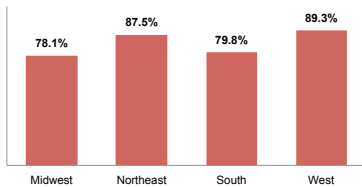
Segmented by Purchase Price



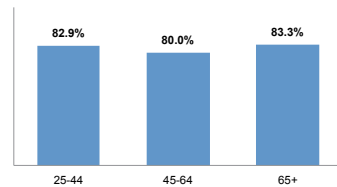
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



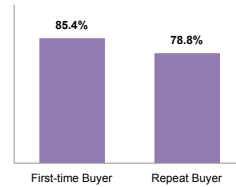
Buyers that are Likely to Use Telephone as Method of Getting More Information when Visiting Builder Web Sites

(Percent of buyers that are likely)

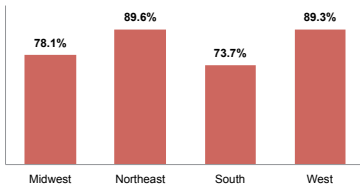
Segmented by Purchase Price



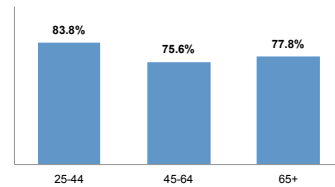
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



TELEPHONE

Of the participants in the survey, 79.9% indicated that they would be likely to call a builder directly to obtain more information about pricing and availability. This preference was strongest among younger buyers between 25-44 (83.8%), purchasing a first home (85.4%) priced under \$200,000 (89.6%).

Geographically, home buyers were slightly more likely to use a telephone to request more information in the West (89.3%) and the Northeast (89.6%) than in the South (73.7%) or the Midwest (78.1%).

LIVE CHAT

In the survey, 53.1% of the home buyers that participated indicated that they would be likely to use Live chat to obtain more information about a new home community when visiting a home builder website.

This preference was most notable among buyers in the West (64.3%) between the ages of 25-44 (61.3%) purchasing a first home (63.4%) under \$200,000 (61%).

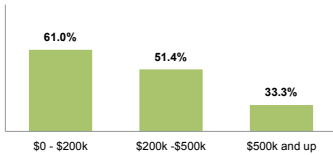
Buyers who purchased a home priced above \$500,000 indicated the lowest likelihood to use this feature at 33.3%.

FIG 36:

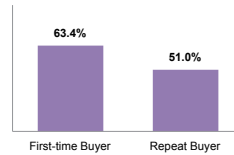
Buyers that are Likely to Use Live Chat as Method of Getting More Information when Visiting Builder Web Sites

(Percent of buyers that are likely)

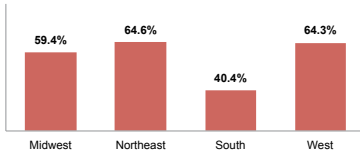
Segmented by Purchase Price



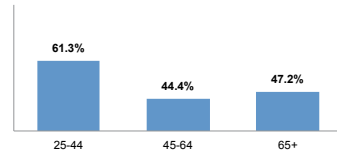
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



3 Tools for nurturing buyers

PREFERRED METHOD FOR SCHEDULING A SALES CENTER APPOINTMENT

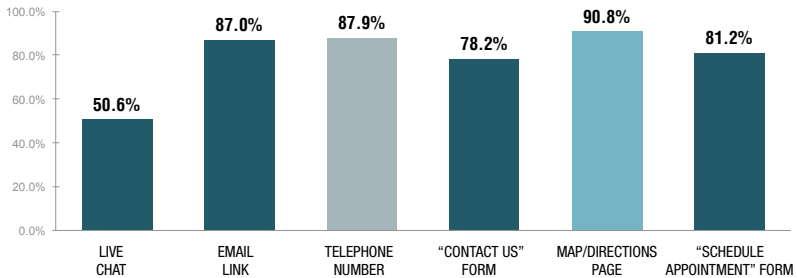
The highest level of conversion online is a website visitor that contacts a builder to schedule an on-site tour or appointment. Buyers who schedule an on-site visit have typically completed the process of narrowing down home builders, neighborhoods, plan types, and features.

For this section of the survey, we identified how buyers at this level engaged on a home builder website, which tools they preferred to schedule an appointment, and how buyer preferences changed based on age, level of home buying experience, region, price point and product type.



Home Buyers' Preferred Methods of Scheduling Home Tour when Visiting Builder Web Sites

(Percent of buyers that are likely)



We asked survey participants to provide feedback on which tools they would be most likely to use to schedule an on-site appointment. Respondents selected from six methods of contact:

- Map/directions page
- Telephone
- Email
- Online appointment request form
- General contact form
- Live Chat

THIS SECTION REPRESENTS THE WIDEST GAPS between buyer categories than any other part of the survey. In some cases, buyers in one age or price point category demonstrated preferences for one tool by as much as 20% compared to other categories.

This distinction provides actionable insights for developing website design that prioritizes the needs of buyers who are most likely to make an immediate purchase decision.

MAP/DIRECTIONS PAGE

RESULTS INDICATED THAT THE PRIMARY TOOL buyers looked for to schedule a Sales Center appointment was a map and driving directions on the home builder website.

This rated equally well across product types, price points, and age groups with a slightly higher ranking in the West (96.4%). This rated as the most important online tool for appointment scheduling in every category except buyers in the Northeast and those purchasing a home over \$500,000; both indicated that an email link was slightly more important.

FIG 38: _____

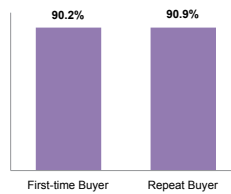
Buyers that are Likely to Use a Map/Directions Page as Method of Scheduling Home Tour from Builder Web Site

(Percent of buyers that are likely)

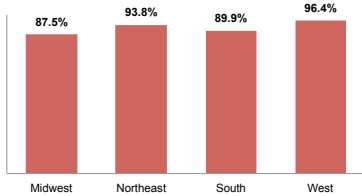
Segmented by Purchase Price



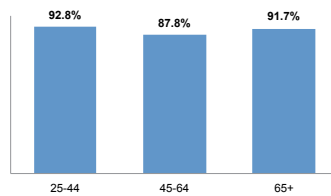
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



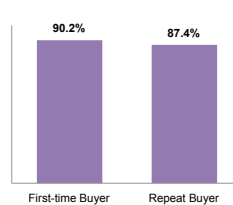
Buyers that are Likely to Use Telephone as Method of Scheduling Home Tour when Visiting Builder Web Sites

(Percent of buyers that are likely)

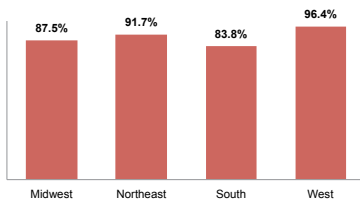
Segmented by Purchase Price



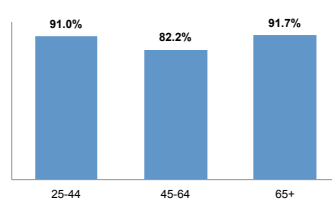
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



TELEPHONE NUMBER

At 87.9% overall, the telephone rated very high as a preferred method for buyers to schedule an appointment while visiting a home builder website.

The telephone rated particularly well with buyers purchasing a home under \$200,000 (94.8%) and those purchasing a home over \$500,000 (100%). In correlation, the telephone as a tool for scheduling an on-site visit also rated well among younger buyers aged 25-44 (91.0%) and those over 65 (91.7%).

EMAIL LINK

Among survey participants, using an email link on a home builder website rated almost as high as the telephone at 87%.

However, buyers in a few categories demonstrated a slight preference for using an email link to schedule an appointment, including many mid-market buyers. These included buyers between the ages of 45-64 (84.4%) and buyers purchasing a home priced between \$200,000 and \$499,000 (84.7%).

Buyers who purchased a home above \$500,000 indicated a strong preference for both tools. 100% of survey participants in this group rated these as two highly preferred methods of scheduling an on-site appointment.

FIG 40:

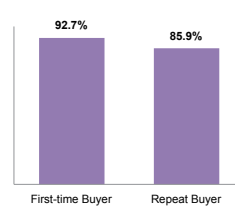
Buyers that are Likely to Use Email Link as Method of Scheduling a Home Tour when Visiting Builder Web Sites

(Percent of buyers that are likely)

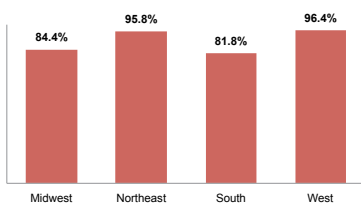
Segmented by Purchase Price



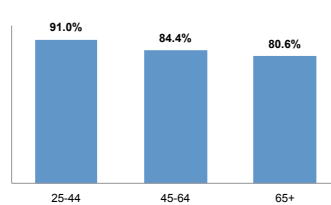
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



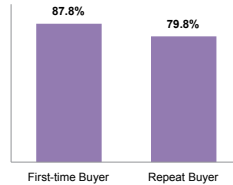
Buyers that are Likely to Use an Appointment Request Form to Schedule Home Tour from Builder Web Site

(Percent of buyers that are likely)

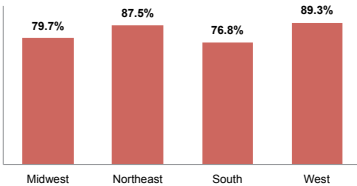
Segmented by Purchase Price



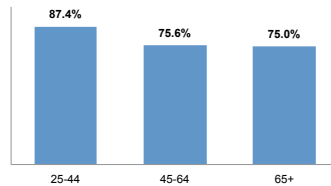
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



APPOINTMENT REQUEST FORM

The majority of home buyers (81.2%) that participated in the survey indicated that they would be likely to use an online appointment scheduling tool to request an on-site tour.

This rated particularly well among younger buyers between 25-44 (87.4%), those purchasing a home priced below \$200,000 (84.4%), and first time buyers (87.8%).

Geographically, buyers in the West were most likely to use this tool at 89.3%.

GENERAL CONTACT FORM

Home buyers indicated that they were a bit less likely to complete a general “contact us” form (78.2%) to request an on-site tour from a builder website than a specific appointment scheduling form (81.2%).

Results among the individual categories varied widely in this area, with buyers who purchased a home priced above \$500,000 indicating a much stronger preference (94.4%) than their counterparts who purchased a home priced between \$200,000 and \$499,000 (75%).

Geographically, buyers in the West rated this as significantly more important (96.4%) than buyers in the South (72.7%).

FIG 42:

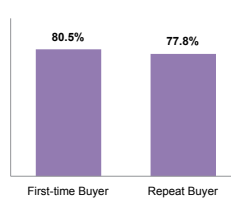
Buyers that are Likely to Use a General Contact Form as Method of Scheduling Home Tour from Builder Web Site

(Percent of buyers that are likely)

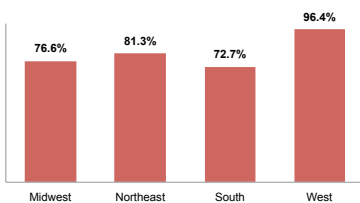
Segmented by Purchase Price



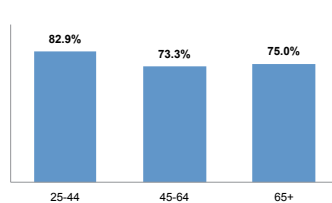
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



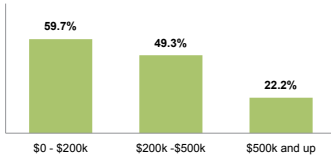
Segmented by Age of Buyer



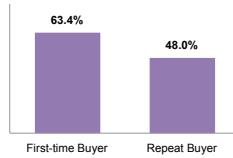
Buyers that are Likely to Use Live Chat as Method of Scheduling a Home Tour when Visiting Builder Web Sites

(Percent of buyers that are likely)

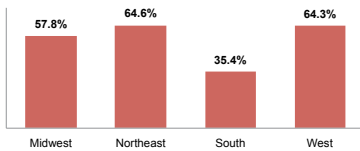
Segmented by Purchase Price



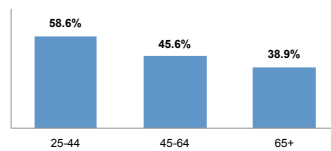
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



LIVE CHAT

Just over half (50.6%) of home buyers who participated in the survey indicated that they would be likely to use Live Chat to schedule an on-site appointment at a new home community.

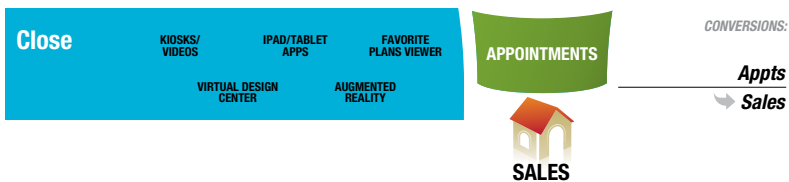
However, the results varied widely in each category. Buyers who indicated the highest preference for Live Chat as a tool to schedule an appointment included buyers in the West (64.3%) and the Northeast (64.6%), buyers purchasing a home for the first time (63.4%), and buyers between the ages of 25-44 (58.6%).

Buyers who indicated they would be far less likely to use Live Chat to schedule a tour included buyers over the age of 65 (38.9%), buyers in the South (35.4%), and most notably buyers who purchased a home over \$500,000 (22.2%).

4 Tools for closing the sale

DIGITAL TOOLS FOR CLOSING THE SALE

AS WE'VE SEEN IN THE PREVIOUS SECTIONS, DIGITAL TOOLS ARE HIGHLY INFLUENTIAL among buyers in all phases of researching a new home purchase, and in all categories. Although preferences may vary between buyers in different geographical regions, price points and age ranges, the data underscores the role of digital tools in attracting and engaging home buyers online.



But what about offline?

AS THE DATA IN THIS SECTION SUGGESTS, technology plays an important role not only in attracting and engaging buyers but in closing the sale as well. On-site Sales Center digital tools and displays have become as important to the sales presentation as well-merchandised model homes and professional, knowledgeable, and skilled Sales Agents.

This changes how Sales Agents interact and build relationships with buyers in the Sales Center, as well as how buyers process information that influences their final decision to purchase.

In the results we'll see in this section, we'll discover the importance of Sales Center digital tools in two primary categories: personal Sales Center tools and Sales Center displays.

PERSONAL SALES CENTER TOOLS

PERSONAL SALES CENTER DIGITAL TOOLS are touch points that buyers can use to obtain information about floor plans, features, community amenities, site plan and availability, exterior elevation options and more.

The ability for buyers to use personal hands-on tools in the Sales Center was very influential for survey participants in many of the categories that we profiled, but results did vary. For example, buyers that purchased a home priced above \$500,000 or below \$200,000 preferred to use a tablet device in the Sales Center and buyers who purchased a home between \$200,000 and \$499,000 preferred a touch screen television kiosk.

SALES CENTER TOOLS: THE HANDS-ON HOME BUYER

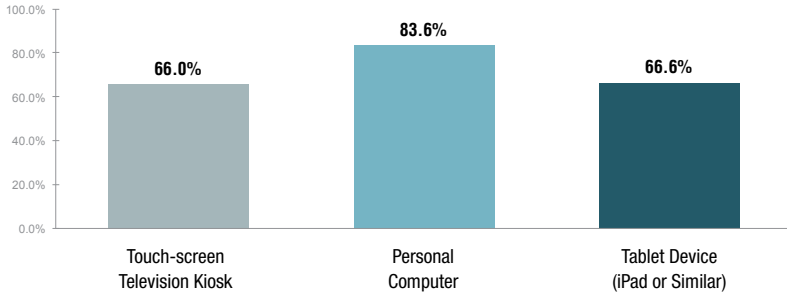
At each stage of the new home purchase, buyers have the information they need at their fingertips. They research builders, neighborhoods, and amenities online. They tour model homes, customize floor plans, and ask questions in real time by Live Chat – all without ever leaving their home or office.

The ability for buyers to easily access this kind of information often makes them feel empowered and in control of their research and decision making process.

As buyers move through each stage of the online sales funnel to transition to an on-site visit, it is just as important for them to feel in control and able to access the information they need. Whether clicking, swiping, or scrolling, buyers rely on interactive tools to engage with a product, neighborhood and community.

Influence of Digital Tools (Available at a Sales Office) on Decision to Buy from that Particular Home Builder

(Percent of buyers that considered it helpful in decision-making process)



SO HOW IMPORTANT IS THIS INTERACTIVE engagement at the Sales Center? We asked recent home buyers to consider the influence of digital interactive tools during their Sales Center visits.

Participants rated each of three personal interactive tools, including:

- Personal computer
- Tablet
- Touch screen television kiosk

By defining the influence of each of these tools for buyers in specific categories, home builders can invest in the appropriate Sales Center tools and adapt sales presentations to effectively integrate personal technology with personal consultative selling.

PERSONAL COMPUTER

OF THE HOME BUYERS THAT PARTICIPATED in our survey, 83.6% indicated that the ability to use a personal computer in a Sales Center would positively influence a purchasing decision.

This preference rated equally well in all geographical regions, all price points, and for both first time and move up buyers. There was a slight preference among buyers between the ages of 25-44 (86.5%) and 45-64 (83.2%) over buyers over 65 (78.3%).

FIG 45: _____

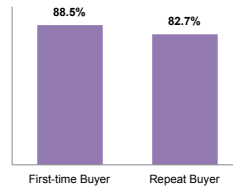
Influence of Personal Computer (Available at Sales Office) on Decision to Buy from that Particular Home Builder

(Percent of buyers that considered it helpful in decision-making process)

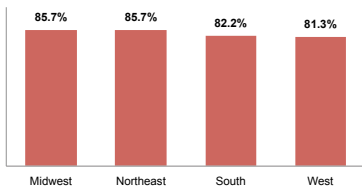
Segmented by Purchase Price



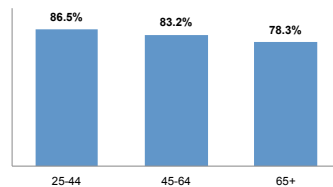
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



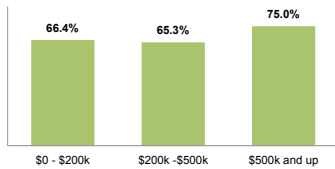
Segmented by Age of Buyer



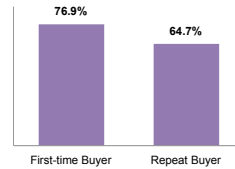
Influence of Tablet Device (Available at Sales Office) on Decision to Buy from that Particular Home Builder

(Percent of buyers that considered it helpful in decision-making process)

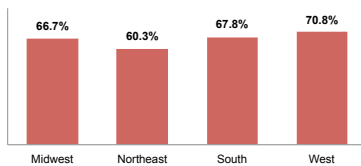
Segmented by Purchase Price



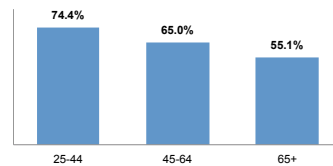
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



TABLET DEVICE

SURVEY DATA ALSO SUGGESTS THAT THE PERSONAL use of a tablet device is also influential for buyers when visiting a Sales Center. In our survey, 66.6% of participants indicated a preference for this type of tool.

Use of a tablet device rated significantly higher among younger buyers between 25-44 (74.4%) than buyers in the 45-64 age range (65%) and buyers over 65 (55.1%).

However, affluent home buyers who purchased a home priced above \$500,000 demonstrated a notably higher preference for use of a tablet device in a Sales Center (75%) than those who purchased a home under \$200,000 (66.4%) or between \$200,000 and \$499,000 (65.3%).

TOUCH SCREEN TELEVISION KIOSK

At 66%, touch screen devices scored lowest of the three personal interactive Sales Center tools listed in our survey. Within each category, however, preferences among home buyers did vary.

Home buyers who purchased a new home priced between \$200,000 and \$499,000 showed a greater preference (68.8%) for this tool than those who purchased a home under \$200,000 (61.8%) or over \$500,000 (62.5%). Buyers in the West (70.8%) were more likely to be influenced by this tool than other markets, as were buyers between 25-44 (70.7%) compared to buyers over 65 (55.1%).

FIG 47:

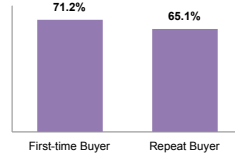
Influence of Touch Screen Kiosk (Available at Sales Office) on Decision to Buy from that Particular Home Builder

(Percent of buyers that considered it helpful in decision-making process)

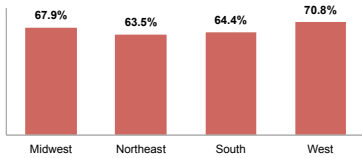
Segmented by Purchase Price



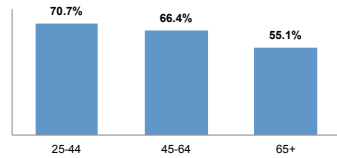
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



SALES CENTER DISPLAYS: INTERACTIVE OR INTERACTION?

IN THE LAST SEVERAL YEARS, TECHNOLOGY in Sales Centers has advanced from static floor plan and builder story displays to videos, interactive floor plans, and other advanced selling tools.

Until now, there has been no data available about how effective these tools are among buyers nationally, from the home buyer's point of view. Do these digital tools influence a prospect's decision to buy? If so, which digital tools are most likely to assist a buyer in getting the information they need to make a confident buying decision?

TO FIND OUT, WE SURVEYED RECENT NEW home buyers and asked them to identify which digital Sales Center displays were most valuable when touring a model home complex.

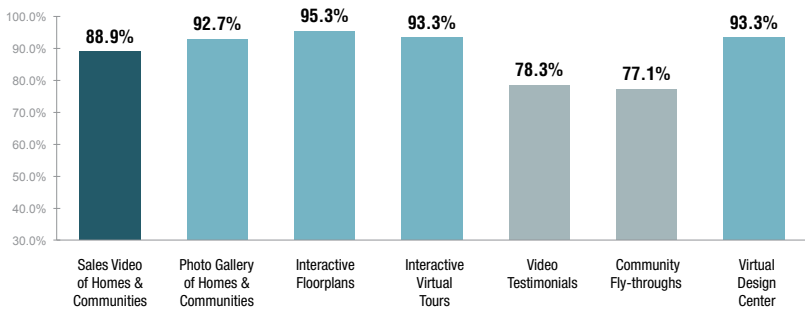
We asked participants to respond based on seven popular Sales Center digital displays:

- Customizable floor plans
- Interactive virtual tour
- Virtual design center
- Photo galleries of homes and amenities
- Videos about the builder, community and amenities
- Video testimonials from recent buyers
- Community fly-throughs

FIG 48:

Influence of Digital Content (Available at a Sales Office) on Decision to Buy from that Particular Home Builder

(Percent of buyers that considered it likely to influence)



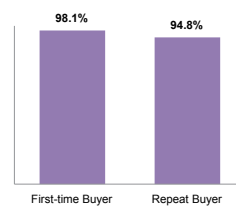
Influence of Interactive Floorplans (Displayed at Sales Office) on Decision to Buy from that Particular Builder

(Percent of buyers that considered it likely to influence)

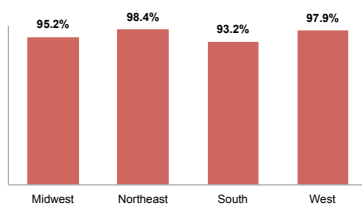
Segmented by Purchase Price



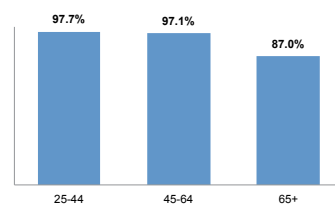
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



INTERACTIVE FLOOR PLANS

Participants in the survey rated the ability to customize a floor plan configuration in the Sales Center through the use of an interactive floorplan as the most influential tool at 95.3% overall.

This tool rated exceptionally well among home buyers who paid more than \$500,000 for a new home (100%), and also among first-time buyers (98.1%), buyers between the ages of 25-44 (97.7%) and 45-64 (97.1%).

VIRTUAL HOME TOURS

Survey data also revealed a strong preference among recent home buyers for interactive virtual home tours in the Sales Center. Participants rated this at 93.3% overall, with the highest ranking among buyers in the West (97.9%), buyers between the ages of 45-64 (96.4%), and those who purchased a home for more than \$500,000 (96.9%).

Although the preference for Sales Center interactive tours rated high in all categories, buyers over the age of 65 indicated a slightly lower preference at 82.6%.

FIG 50:

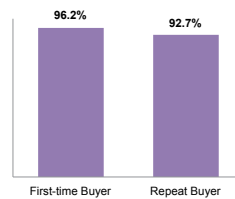
Influence of Virtual Tours (Displayed at Sales Office) on Decision to Buy from that Particular Home Builder

(Percent of buyers that considered it likely to influence)

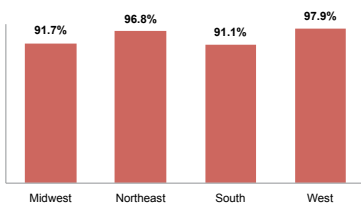
Segmented by Purchase Price



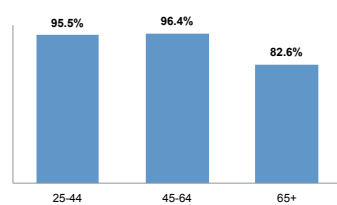
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



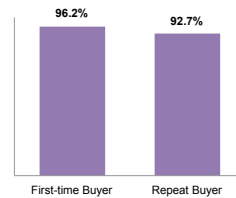
Influence of Virtual Design Center (Available at Sales Office) on Decision to Buy from that Particular Builder

(Percent of buyers that considered it likely to influence)

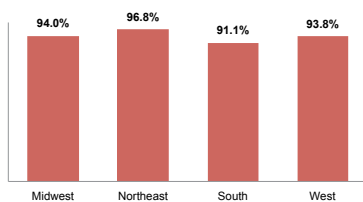
Segmented by Purchase Price



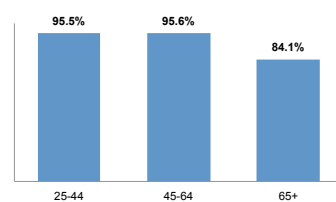
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



VIRTUAL DESIGN CENTER

In our survey, buyers in all categories communicated the importance of a Virtual Design Center when touring model homes. Of all of the interactive sales displays listed in our survey, the Virtual Design Center produced the lowest variable among buyers from various categories.

The Virtual Design Center rated above 90% for buyers in every geographic region, price point and product type. Only buyers above the age of 65 indicated that this was slightly less important (84.1%) compared to data collected from their younger counterparts.

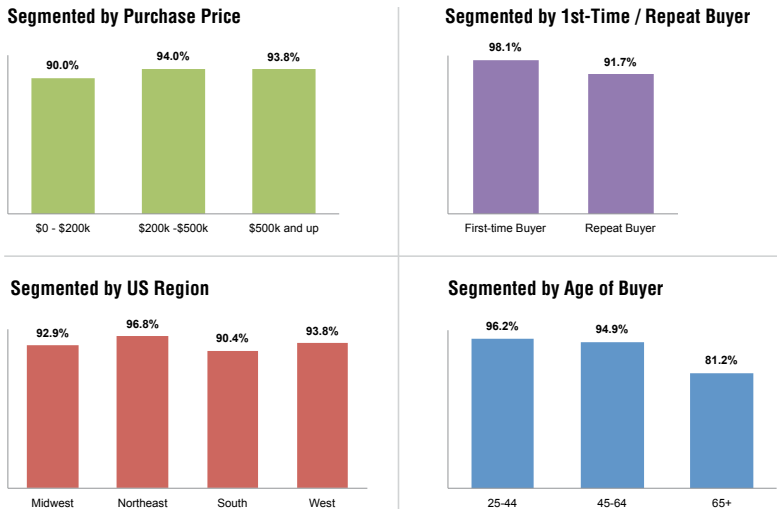
DIGITAL PHOTO GALLERIES OF HOMES AND AMENITIES

PHOTO GALLERIES OF THE HOMES AND AMENITIES as an influential Sales Center tool rated well among survey participants at 92.7%. This feature was most popular among home buyers in the North East region (96.8%), first time buyer buyers (98.1%) between the ages of 25-44 (96.2%), and buyers between the ages of 45-64 (94.9%) purchasing a home in the \$200,000 - \$499,000 price range (94%).

FIG 52:

Influence of Digital Photo Gallery (Displayed at Sales Office) on Decision to Buy from that Particular Builder

(Percent of buyers that considered it likely to influence)



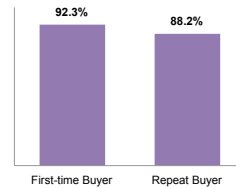
Influence of Sales Video (Displayed at Sales Office) on Decision to Buy from that Particular Home Builder

(Percent of buyers that considered it likely to influence)

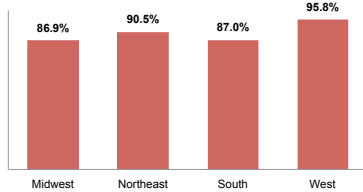
Segmented by Purchase Price



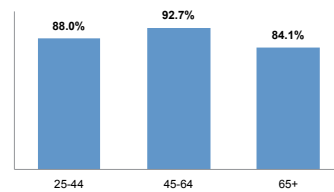
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



SALES VIDEOS OF HOMES AND AMENITIES

Sales Center videos that feature information about the builder, community and neighborhood amenities were popular among recent home buyers, with 88.9% of participants indicating that this feature would be influential in a new home purchase.

Among those that rated Sales Center videos most influential were buyers in the Western region (95.8%), home buyers purchasing a home priced above \$500,000 (93.8%), and buyers between the ages of 45 and 64 (92.7%).

Buyers purchasing a home priced below \$200,000 indicated that this feature was slightly less influential at 84.5% compared to other Sales Center tools.

VIDEO TESTIMONIALS FROM RECENT BUYERS

ANOTHER SALES CENTER FEATURE THAT RATED WELL among buyers was video testimonials from recent buyers. 78.3% of all survey participants considered them influential.

Video testimonials in the Sales Center were most influential among buyers between the ages of 45-64 (82.5%), first time buyers (82.7%), and buyers who purchased a home in the Western region of the U.S. (81.3%).

FIG 54:

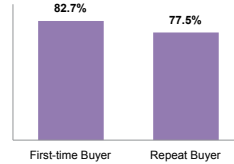
Influence of Video Testimonials (Displayed at Sales Office) on Decision to Buy from that Particular Home Builder

(Percent of buyers that considered it likely to influence)

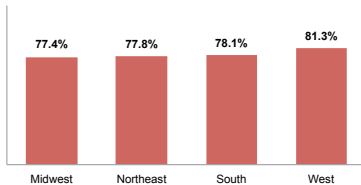
Segmented by Purchase Price



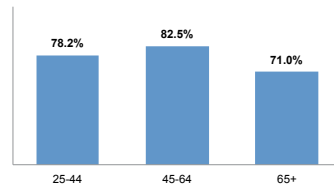
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



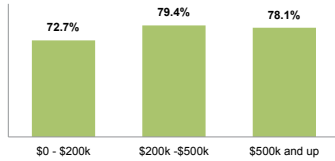
Segmented by Age of Buyer



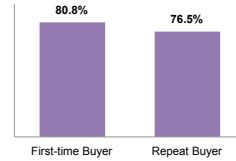
Influence of Community Fly-Throughs (Displayed at Sales Office) on Decision to Buy from that Particular Builder

(Percent of buyers that considered it likely to influence)

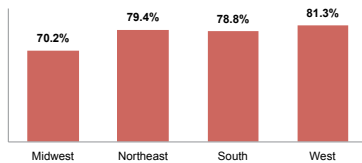
Segmented by Purchase Price



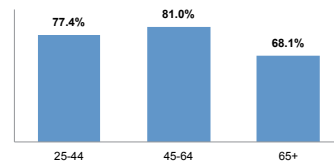
Segmented by 1st-Time / Repeat Buyer



Segmented by US Region



Segmented by Age of Buyer



COMMUNITY FLY-THROUGHS

COMMUNITY FLY-THROUGHS WERE THE LEAST influential of the interactive Sales Center tools surveyed, with 77.1% of recent home buyers listing this as an influential factor when visiting a model home center.

Community fly-throughs did rank higher among specific categories within the survey, including buyers between the ages of 45-64 (81%) and buyers in the West (81.3%). Buyers over the age of 65 rated this as least influential of all of the categories in our survey at 68.1%.

TECHNOLOGY AND ITS EFFECT ON THE HOME BUYING EXPERIENCE

TODAY, TECHNOLOGY INFORMS RELATIONSHIPS both on and off the web. Often people spend more time texting than talking, more time interacting on Facebook than face-to-face, and more time communicating through devices than body language. Technology is an integral part of how we form and nurture relationships, both personal and professional. As technology continues to become inherent in our relationships, it should come as no surprise that technology plays a vital role in the relationships that sales professionals build with prospective buyers in the sales office.

The new buyers have more control over how they access, assimilate, and process information and that has changed the role of the Sales Agent. Once the gatekeeper for information that influences a buying decision (i.e. pricing, availability and upgrades) the Sales Agent today must play a new role. Sales Agents now partner with prospective buyers in the sales office – many of whom have already gathered significant amounts of information before their visit – to create high quality interactions by personalizing the technology and translating it to the buyer's specific needs and wants.

As the data suggests, technology that specifically enables buyers to personalize their own home with digital tools such as customizable floor plans and virtual Design Centers is very influential, and is dramatically changing the way buyers experience the home buying process.

BACKGROUND & METHODOLOGY

This study was designed and written by the Bokka Group. The National Association of Home Builders Research Center fielded the study in September 2012 as a third-party research company and provided tabulated results. This report (including all charts, graphics and descriptions) was produced by the Bokka Group.

The primary objective of this study was to develop a better understanding of the use of online marketing tools by new home buyers. The Bokka Group set out to conduct a survey of recent home buyers to learn more about their use and preferences of online tools in their new home search and buying process. The Bokka Group developed the questionnaire which was fielded as a web-based survey to recent home buyers to obtain statistically reliable and credible data on this topic to share with the industry as a means of improving the home buying process for both buyer and seller.

The Bokka Group provided 2,154 e-mail addresses of recent new home buyers to the NAHB Research Center, who augmented the list with respondents of their most recent Consumer Practices Survey who indicated they purchased a new home in 2011. The 341 survey respondents were located in the U.S.

2013 HOME BUYER CONVERSION REPORT

If you would like to be a part of the 2013 Conversion Study, please visit <http://conversion-report.com>



ABOUT THE BOKKA GROUP

The Bokka Group is an Online Marketing Management firm that helps builders increase marketing efficiency and improve the new home buying experience. Specializing in Top 100 home builders in the United States and Canada, The Bokka Group's proprietary Marketing Effectiveness Evaluation is the industry's leading comprehensive marketing evaluation tool. The Marketing Effectiveness Evaluation helps builders increase ROI across all marketing channels including online, signage, print, and more.

For more details visit <http://bokkagroup.com>

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