

Marketing Science Case Study



The Challenge

For years, millions of home shoppers have turned to Realtor.com to find their dream home. Realtor.com offers a comprehensive list of for-sale properties, as well as the information and tools home buyers need to make informed real estate decisions and select a real estate agent. Realtor.com turned to Facebook as an integral partner in driving home shoppers to its website, where they can search for a home, connect with lenders, find local agents, and more. Beyond driving traffic, the challenge Realtor.com faced was deciding how to scale the sophisticated process of matching the right person to the right home—while maintaining efficiencies within its marketing investments.

The Opportunity

Facebook's Marketing Science team introduced Realtor.com to a strategy it had developed called "structure to scale." This strategy centers around the idea that, in order to scale efficiently, businesses with multiple campaigns and ad sets need to consolidate them. This allows the signals for each ad set to be combined to create a holistic view of the performance of all ads, which takes greater advantage of Facebook's advanced machine learning algorithms and improves campaign efficiency. The company also implemented best practices related to ad placements, budget optimization, and audience targeting to build upon the success of the "structure to scale" program, and further capitalize on Facebook's machine learning capabilities.

The Results



Reduced cost per incremental conversion by 23% with campaign budget optimization



Boosted incremental conversions 30% by identifying home shoppers likely to request information



Drove unique website submissions using automatic ad placements to reach home shoppers in new places

How They Did It

Optimizing campaigns through incrementality testing

With the help of the Facebook Marketing Science team, Realtor.com ran a study that compared the performance of the company's business-as-usual account structure to a more "liquid" account structure based on Facebook best practices. The business-as-usual cell in the test had two Real Estate Ad campaigns; one with a prospecting ad set and another with a retargeting ad set. The challenger cell had only one campaign that included two ad sets for prospecting and retargeting, enabling the use of Campaign Budget Optimization. At the end of the multi-week test, the challenger cell saw a 23% reduction in cost per incremental connection request—in other words, a website user request to connect with a real estate agent—and a 36% higher return on ad spend (ROAS) compared to the business-as-usual cell.

Expanding reach through automatic placements

The challenger cell also used automatic placements to run ads across the Facebook family of apps—including Facebook News Feed, Facebook Stories, Instagram feed, Instagram Stories, Audience Network, Messenger Stories, Instant Articles, and Marketplace—depending on which placement was most likely to provide the best results at the lowest cost. Automatic placements allow Facebook's delivery system to make the most of campaign budgets by placing ads where people within a target audience are spending their time. Facebook's targeting works the same across all available placements, so including more placements in a campaign often helps find a wider audience.

Using a modern machine learning approach

With the use of dynamic ads, Realtor.com was able to increase the size of its target audience, giving the Facebook system more opportunities to find the people who were most likely to submit a request to connect to an agent. Because machine learning takes highly relevant signals into account, the ads are dynamically tailored to be as relevant as possible.



"Realtor.com was an early adopter of Real Estate Ads but struggled to scale and show incrementality across all campaigns in our account. Facebook's account recommendations, combined with its increasingly robust machine learning algorithms and expanded ad placements, allowed us to reach more in-market home shoppers while improving performance on all fronts. Facebook's help in confirming incrementality with a true lift test further reaffirmed our decision to actively lean into the DARE product, as well as rely on Facebook as a key marketing partner."

Scott Mencken, VP of Performance Marketing
at Realtor.com