NestReady

Search, Display, & Native Ads: Performance Benchmark Cheat Sheet for Real Estate & Finance

Wondering how your digital advertising campaigns are performing, and how they stack up to your competitors' efforts? To understand what professionals can expect from their digital advertising efforts, NestReady examined marketing results in finance and real estate across the US.

The Performance Benchmark Cheat Sheet covers optimal cost per conversion, CTR performance, CPC and more for real estate and finance professionals across the United States.

INTRODUCTION

OVERVIEW

- Standard display ads CTR by format in the U.S.: 0.08% (enhanced banner), 0.08% (custom in-page ad), 0.06% (rich media banner), 0.07% (image ad), 0.03% (html banner), 0.05% (flash in-page banner). (Data source: AppNexus)
- CTRs for native display ads are 8.8 times higher than the average display ad. The average CTR for a native display ad is between 0.8% and 1%, according to AppNexus. In real estate, CTR for native ads are 10 times higher compared to standard display CTRs from programmatic display campaigns.
- This is likely why 60% display ad spending is going to native ads, according to eMarketer. The share is even higher on mobile, with 77 percent of all display ad dollars spent on native placements.
- Consumers trust content on publisher sites 24.4% more than content they see on social platforms, and look at native ads 53% more than display ads. (Source: Outbrain)

TOP HIGHLIGHTS

- The average Click-Through Rate (CTR) for paid search ads on major search engines is around 3.71% for real estate and 2.91% for the finance industry.

- CTR for banner or display ads is 1.08% in real estate and 0.5% in finance.

- The conversion rate for search ads is just 2.5% for real estate, compared to 5% for the finance industry.

- Conversion rates for display ads are generally lower than those for search: 1.2% for finance, and just 0.8% for real estate. But don't write off banner ads yet: often, display advertising represents your audience's first encounter with your brand. How many of your leads saw your display banner ad in the 7 days before they converted?

- CTRs for native display ads are 8.8 times higher than the average display ad. The average CTR for a native display ad is between 0.8% and 1%, according to AppNexus. In real estate, CTR for native ads are 10 times higher compared to standard display CTRs from programmatic display campaigns.

- Real estate tends to have high ad CTRs. Combine that with high keyword costs and low conversion rates, and you have a recipe for a "burned" campaign budget that generates few, if any, results.

- Realtors should focus on audience data insights that combine interests, behavior, and socio-demographics data to improve their audience targeting. This optimization is especially key for real estate professionals with lower budgets.

- Retargeting display banner ads will have the highest performance, with CTRs up to 10 times higher than a standard display campaign ad.

- With an average cost per conversion of $116, real estate has the third most expensive CPA for search ads of any industry.

- Consumers trust content on publisher sites 24.4% more, than content they see on social platforms, and look at native ads 53% more than display ads (according to Outbrain).

MARKETING TERMS

DEFINITIONS

CPL / CPA

Cost per acquisition (CPA), also known as cost per lead (CPL) or pay per acquisition (PPA), is an online advertising pricing model where the advertiser pays for a specified acquisition—for instance, a sale, click, or form submission (e.g. contact request, newsletter sign up, or registration).

Native Advertising

Native advertising is a type of (mostly) online advertising that matches the form and function of the platform upon which it appears. In many cases, native advertising functions like an advertorial, and manifests as a video, article or editorial.The word "native" refers to the coherence of the content with the other media that appear on the platform.

FBX

Facebook Exchange, also known as FBX, is Facebook's proprietary in-platform advertising service for desktop users. FBX is driven by real-time bid purchases, and allows online advertisers to place ads onto the Facebook sidebar, or directly into users' timelines as they scroll.

Programmatic Advertising

Programmatic advertising is a system that automates the processes and transactions involved with purchasing and dynamically placing ads on websites or apps. Programmatic advertising makes it possible to purchase and place ads, including targeted advertising content, in less than a second.

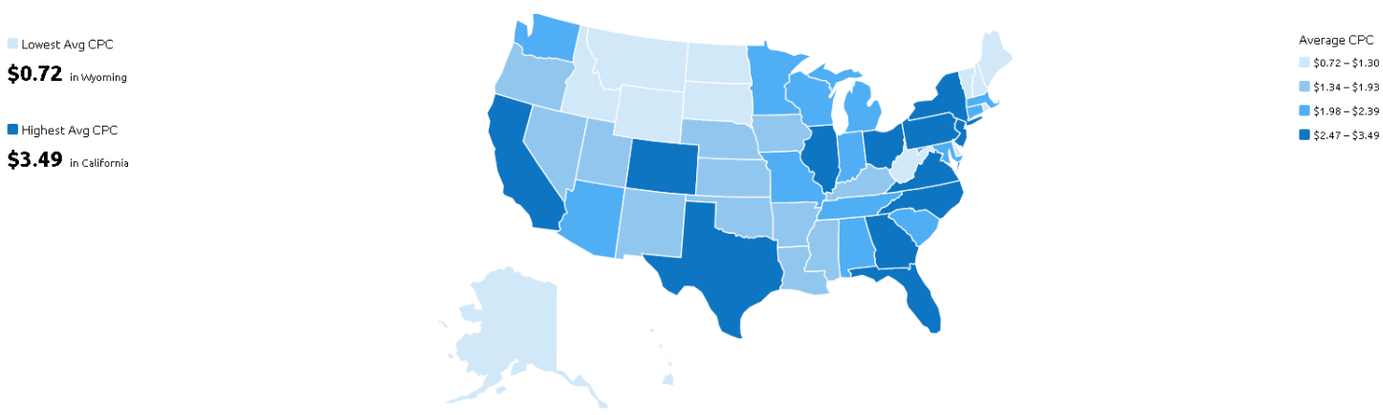
Audience Data Management Platform

A data management platform (DMP) is a technology platform used for collecting and managing data, mainly for digital marketing purposes. It enables markers to generate audience segments, which are used to target specific users in online advertising campaigns.

Keyword Costs For Real Estate

OVERVIEW

- The average CPC for paid search campaigns varies significantly across the country (see map). The state with the lowest CPC is Wyoming with just $0.72, while California has the highest CPC: $3.49.
- Averages are useful, but remember: not all real estate keywords are made equal. There are plenty of outlier keywords for you'll pay upwards of $40 just for a single click. See below for some of the most expensive keywords in the country.



Real Estate

The report is based on the analysis of 40,137 keywords

Most expensive keywords

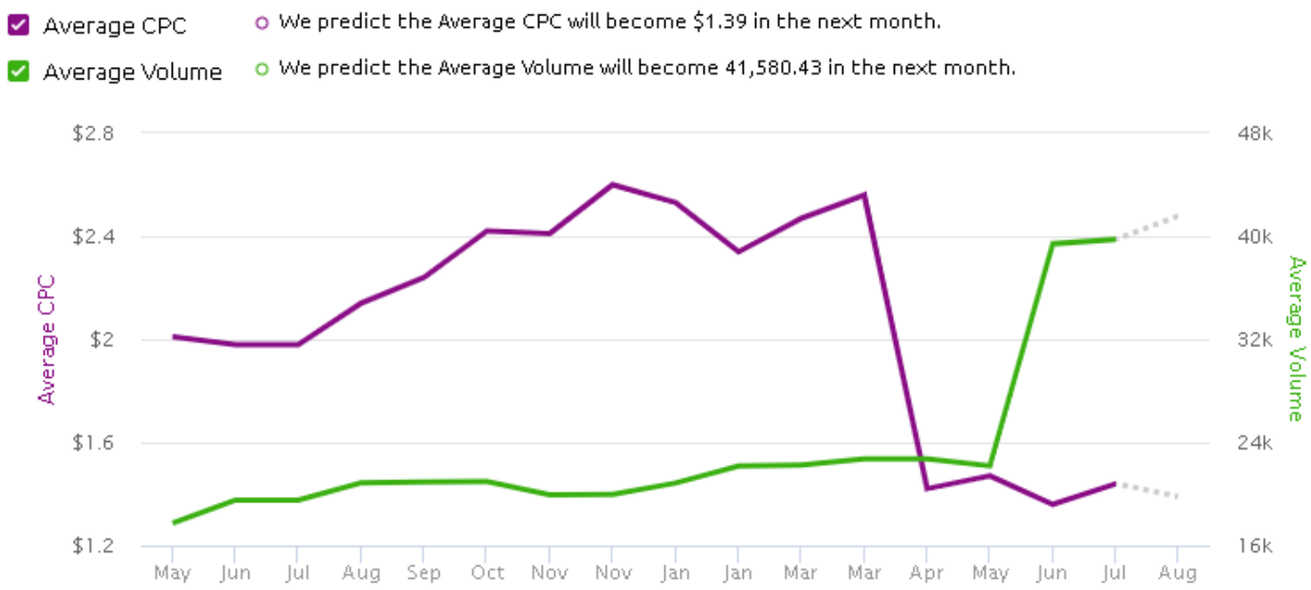
Keyword	CPC
home	$47.82
sell my house quickly	$25.77
sell my house fast	$25.01

Most popular keywords

Keyword	Volume
realtor	3,350,000
home	1,830,000
apt for rents	1,500,000

buy my house	$23.33	apartment renter	1,500,000
sell my house	$20.93	apartments for rent	1,500,000
selling your house	$16.23	aparment for rent	1,500,000
sell home	$13.11	rental homes	1,220,000
find a realtor	$12.11	homes for rent	1,220,000
find a real estate agent	$11.27	housing rent	1,220,000
quick house sale	$10.51	houses for rent	1,220,000

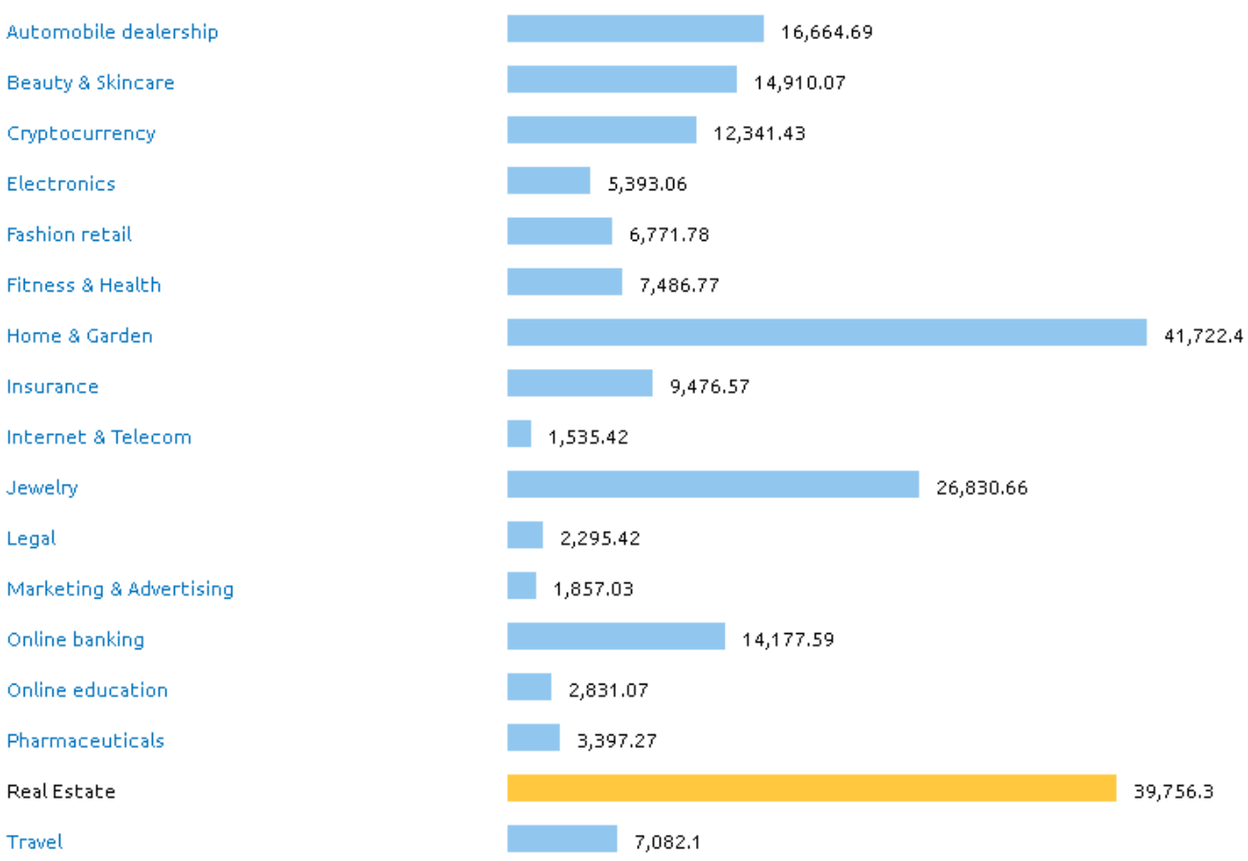
Average CPC and Volume in United States for Real Estate



Source: SemRush CPC Map

Industries for United States, All Regions

PPC costs (Avg. CPC) | PPC demand (Avg. Volume)



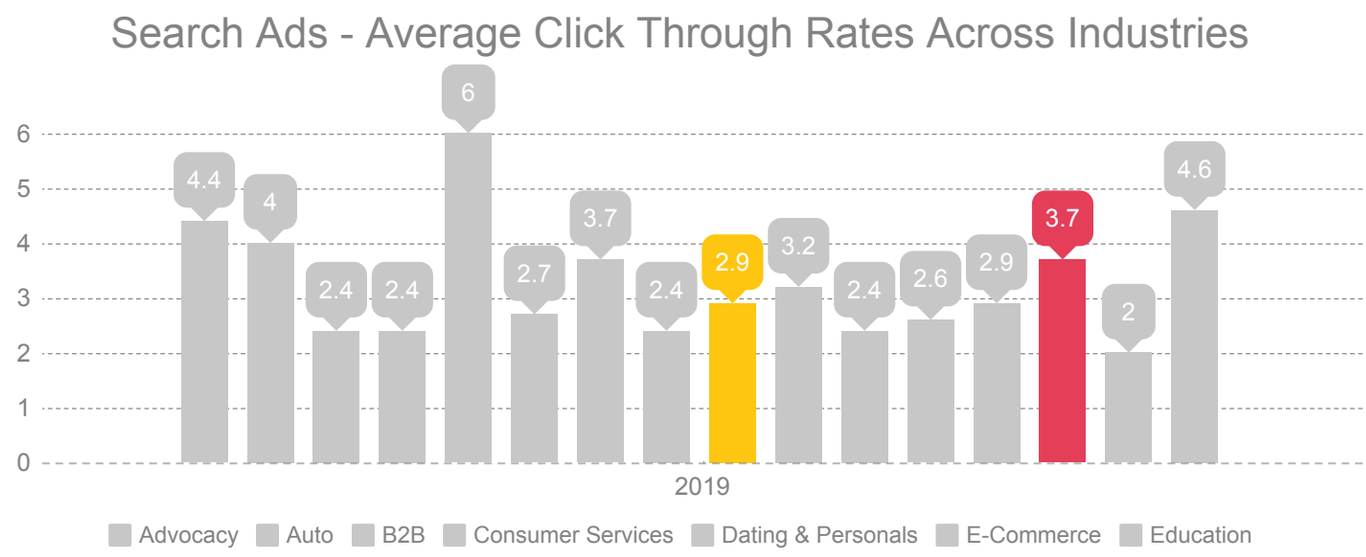
TAKEAWAYS

- If you're planning to bid on short keywords that include the words "home" or "house," be prepared to pay anywhere from $10-25 for a single click.
- The real estate industry takes second place in PPC demand, with huge search volume around home buying and renting topics.
- For best results, be specific about your keywords and bid for exact terms and "long tail" combinations, especially if your ad budget is limited.
- Make use of the negative keyword list feature in your keyword planner tool to exclude undesired keywords. For instance, keywords used by people looking for homes rent are very popular. If you're not in the rental business, be sure to exclude these terms from your keyword bids.

Paid Search Benchmarks For Real Estate & Finance

CTR

- According to Wordstream, the average click-through rate (CTR) on Google AdWords is around 1.9%. The majority of industry experts agree that most advertisers achieve a CTR of 2-3% when running a PPC campaign.
- When working on paid search campaigns, keep in mind that ad position will have a big impact on CTR. For example, first position will yield a 7% CTR, while 2nd & 3rd position will drop you 3% and 2% respectively.
- Average CTR fluctuates based on the industry you're in. Aim for a CTR of 2% in real estate, and you'll be under performing: your industry average is around 3.71%. The same applies to the finance industry, where paid search CTR averages at around 2.9% mark.
- If you have ads that are running below the fold and are not visible, they can still accumulate impressions. This will have a negative impact on your ads' CTR.

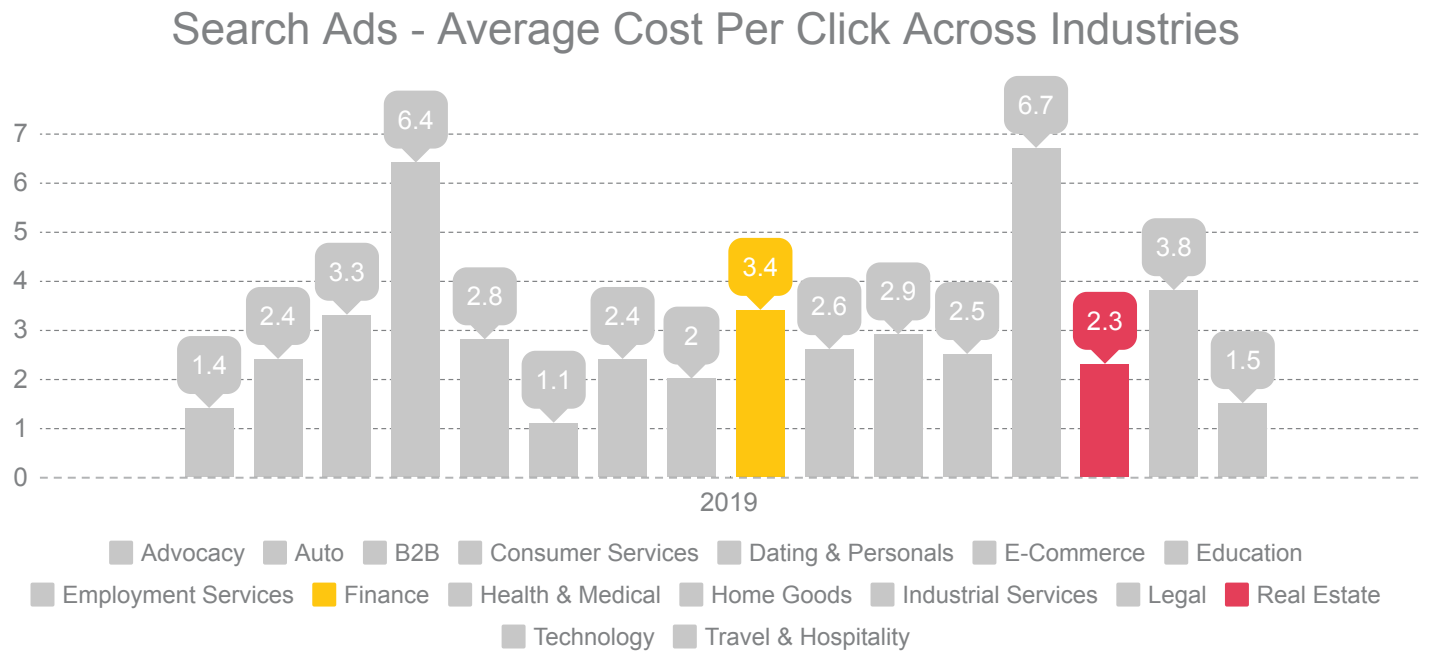


Employment Services Finance Health & Medical Home Goods Industrial Services Legal Real Estate
Technology Travel & Hospitality

Data Source: WordStream ("Google Ads Benchmarks for YOUR Industry," updated August 27, 2019)

CPC

- According to Wordstream, the average cost per click for paid search campaigns on AdWords is $2.30 for real estate and $3.40 for finance.
- It's not uncommon to see a CPC of $20+ for keywords containing the words "home" (bidding on just the word home would land you into $50 territory) or "house."

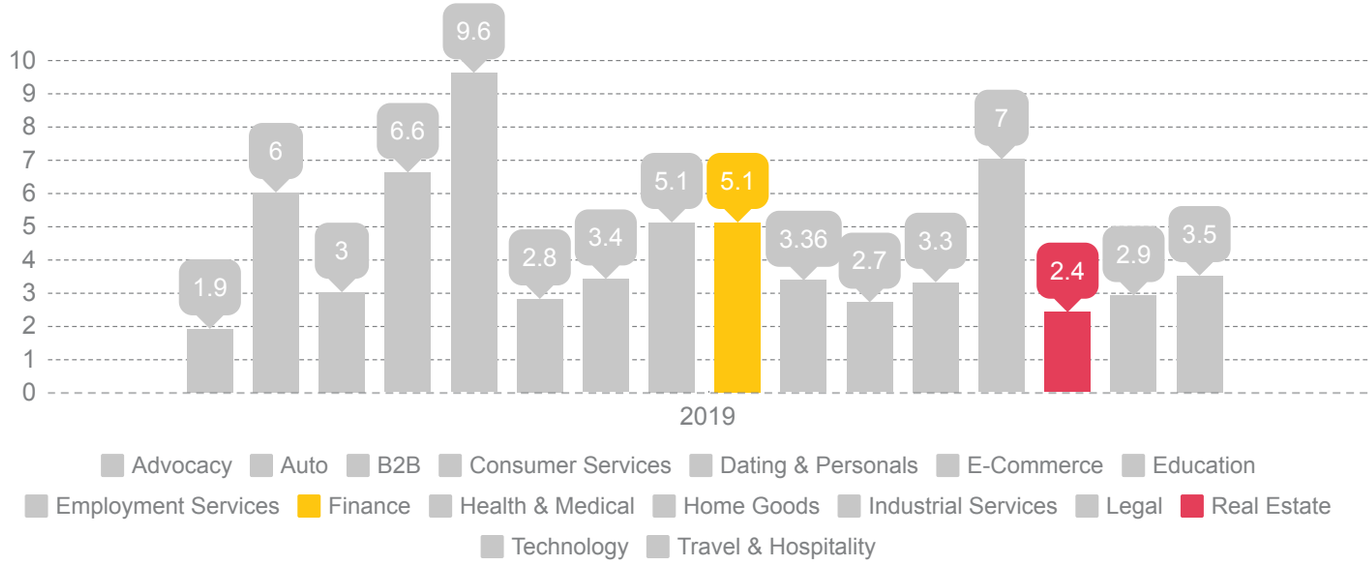


Data Source: WordStream

CONVERSION RATE

- The average conversion rate across all industries for AdWords campaigns is around 3.75%. Real estate conversion rates are second to last at 2.47%. The Finance industry doubles that conversion rate with 5.1%, landing in the middle of the pack.
- Put audience data and related targeting to work and focus on your core audiences to improve conversion rates. Combine socio-demographic, behavioral, and interests data to zoom in further on the audiences that tend to have higher conversion rates.

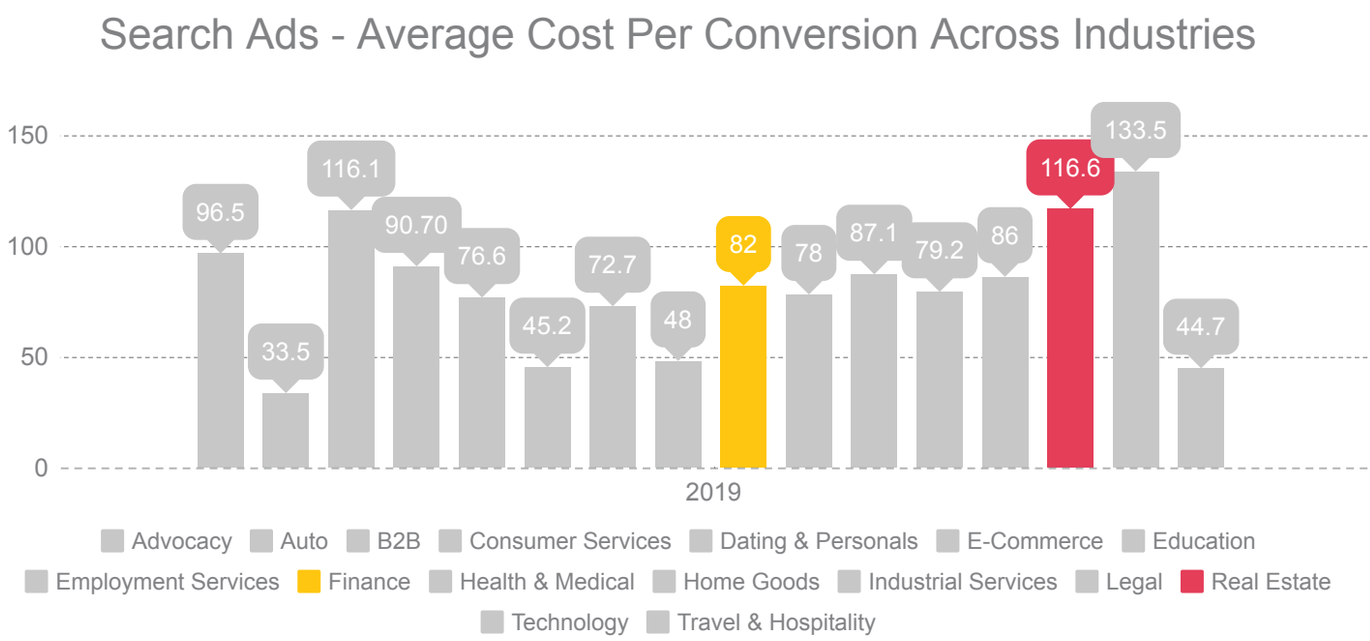
Search Ads - Average Conversion Rates Across Industries



Data Source: WordStream

COST PER ACTION / COST PER CONVERSION

- The average cost per conversion across all industries for AdWords search campaigns is around $49. CPA for the real estate industry is much higher: $116. CPA for the finance industry is a bit lower ($81), but remains well above average.
- Except for the technology industry, real estate has a higher cost per conversion than any other industry. Make sure that your campaigns are targeting your core audience groups that resemble your best customers.



Data Source: WordStream

TAKEAWAYS

- Cost per conversion for search ads is high for real estate—in fact, it's the second most expensive category after technology. If you're in real estate, Make sure your search campaigns are targeting your core audience groups that resemble your best customers.
- The average conversion rate across all industries for AdWords campaigns is around 3.75%. Real estate conversion rates are second to last at 2.47%. The Finance industry doubles that conversion rate with 5.1%, landing in the middle of the pack.

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- It's not uncommon to see a CPC of $20+ for keywords containing the words "home" (bidding on just the word home would land you into $50 territory) or "house."

Display Campaign Benchmarks For Real Estate & Finance

CTR

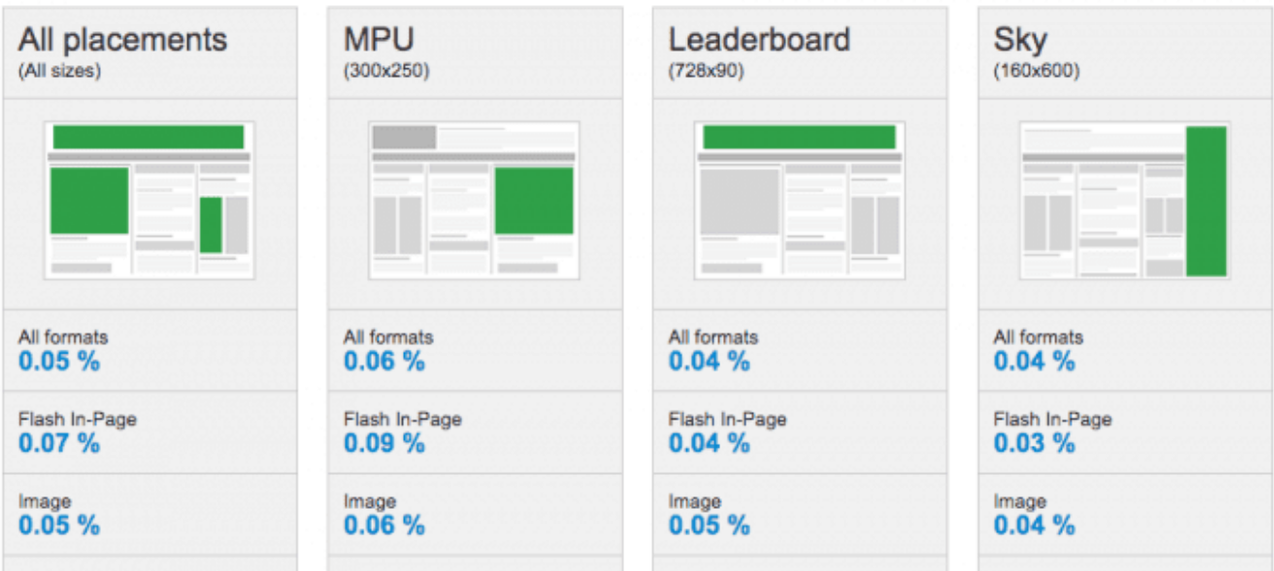
- The best place to start with display ads is retargeting. The CTR of a retargeted ad is 10x higher than that of a typical display ad. Plus, website visitors targeted with this type of display ad are 70% more likely to convert.

- Real estate beats every other industry in CTRs for banner ads with 1%. That's twice as high as banner ad CTRs in the finance industry.

- CTRs for a different ad formats include: 0.08% for enhanced banners, 0.03% HTML banners, 0.07% for standard image banners, and 0.05% for flash in-page ads. Display ads are a great tool if you are looking for branding and reach campaigns at a cost-effective level.

- Programmatic digital ad spend will reach the $45 billion mark in 2019 according to AppNexus, and approaches 83% of total digital display ad spend in the US.

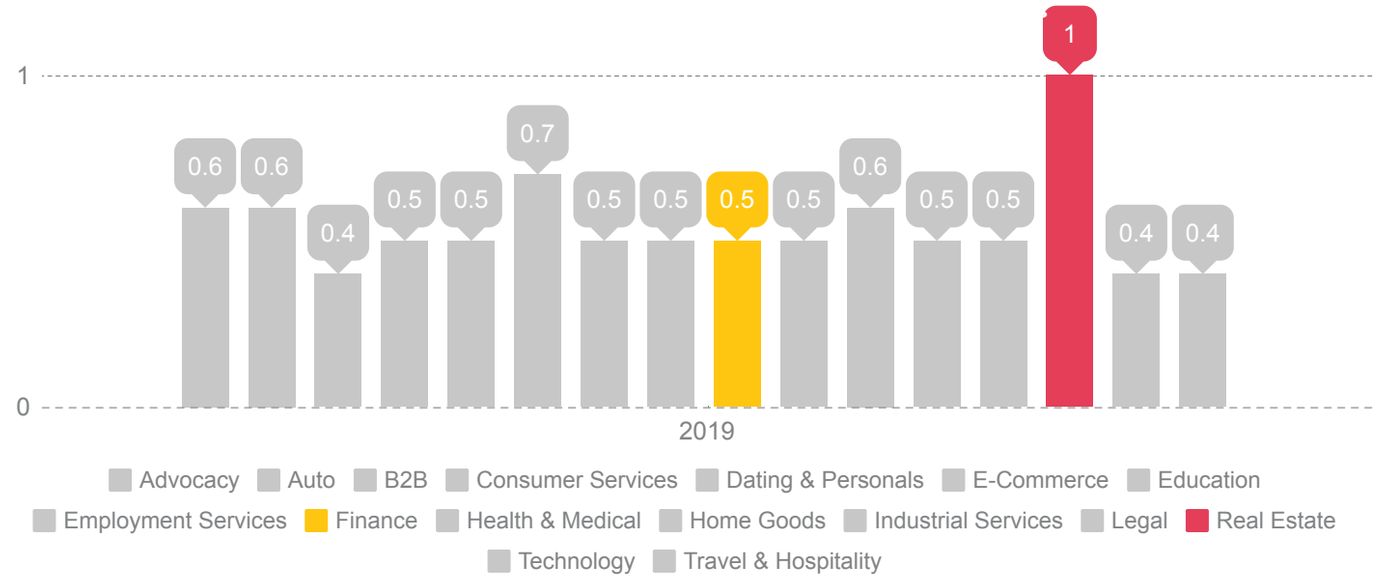
The average click-through rate on Google Ads for display campaigns is around 0.35%, but we can break down this number even further. For example, the overall CTR for display ads is 0.05%, while reach media ad CTR is 0.1%. By comparison, ad CTRs on Facebook range from half a percent to 1.6%.



Rich Media Expandable 0.02 %	Rich Media Expandable 0.02 %	Rich Media Expandable 0.04 %	Rich Media In-Page Flash 0.06 %
Rich Media In-Page Flash 0.06 %	Rich Media In-Page Flash 0.07 %	Rich Media In-Page Flash 0.05 %	

If you're focused on achieving higher CTRs than standard display ads offer, consider implementing native ads. **CTRs for native display ads are 8.8x higher than the average display ad.**

Display Ads (AdWords) - Average Click Through Rates Across Industries

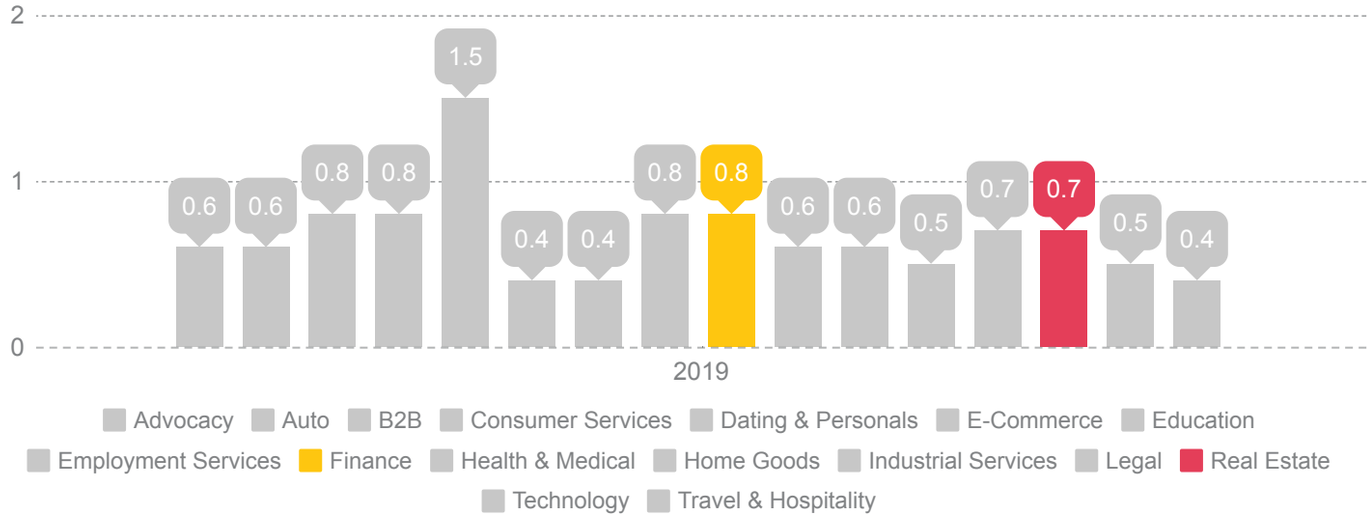


Data Source: WordStream

CPC

- Viewed through the lens of CPC, display campaigns are one of the cheapest forms of advertising. The average cost per click for display ads ranges from $0.40-0.80.
- Real estate display ads have an average cost per click of $0.70, while finance industry display ads average $0.80.

Display Ads (AdWords) - Average Cost Per Click Across Industries



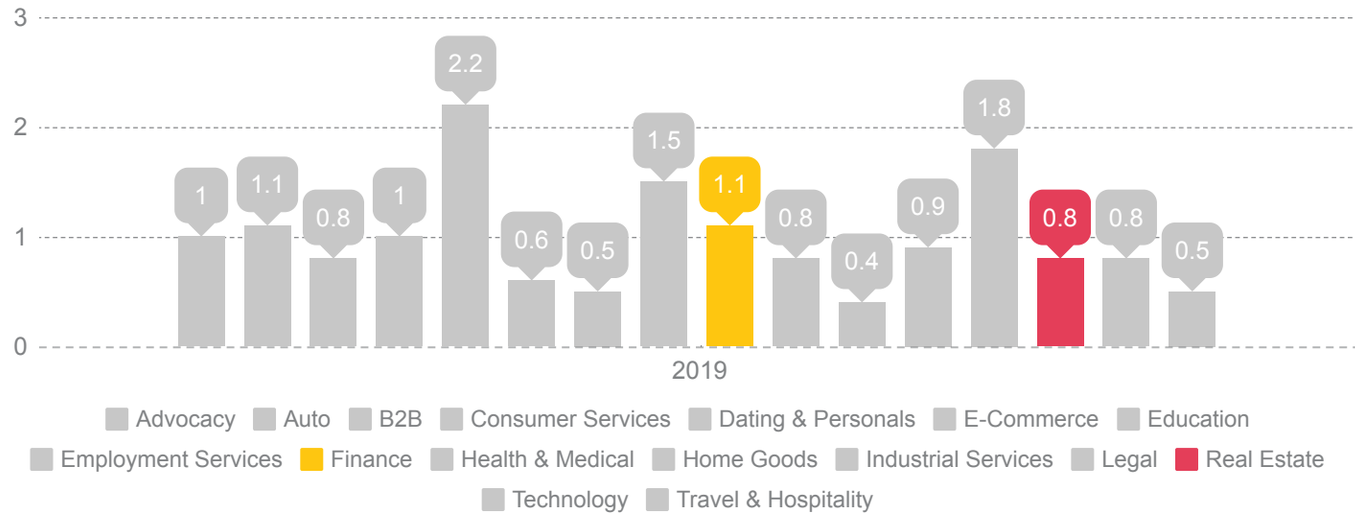
Data Source: WordStream

CONVERSION RATE

- The 0.8% conversion rate for real estate display ads is not far from the cross-industry average of 0.77%. Finance ads beat this average with a conversion rate of 1.1% .

According to Google, the most effective banner ad sizes are large rectangle (336x280 pixels), medium rectangle (300x250), leaderboard (728x90), half page (300x600), and large mobile banners (320x100).

Display Ads (AdWords) - Average Conversion Rates Across Industries

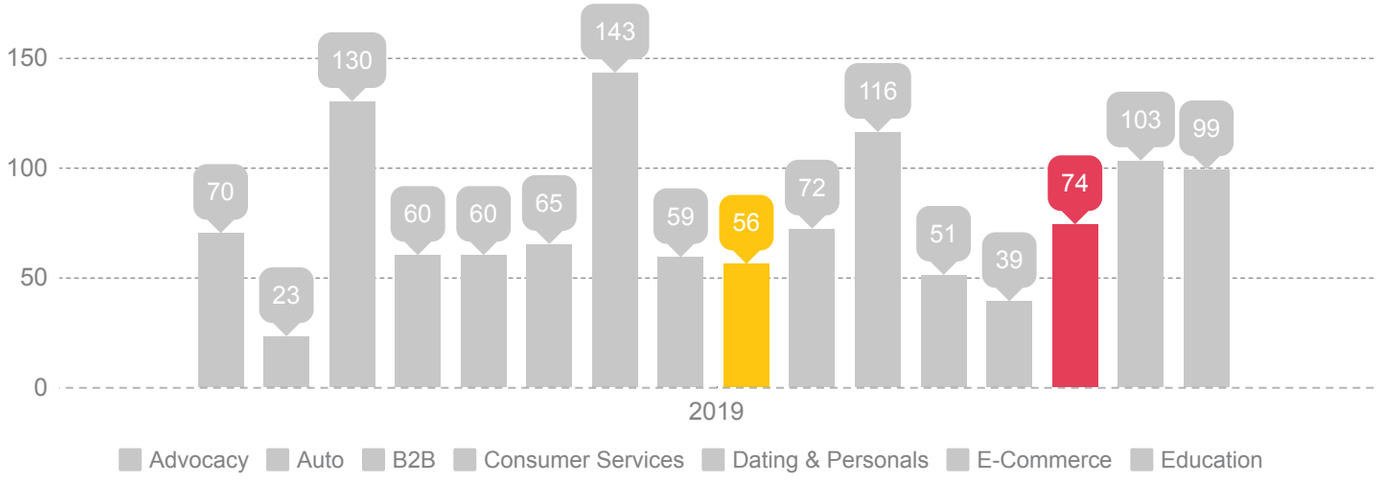


Data Source: WordStream

COST PER ACTION / COST PER CONVERSION

- The average cost per conversion across all industries for AdWords display campaigns is around $33. By contrast, CPA in the real estate industry is more than twice as high at $74. The finance is also above average, with an average CPA of $56.
- In terms of CPA, real estate is as expensive as the B2B or technology industries, where average costs are over $100 per conversion. Good audience data targeting is the key to keep CPA at a lower level. Investing in analytics and audience data management technology is a must for the above industries.

Display Ads (AdWords) - Average Cost Per Conversion Across Industries



Employment Services Finance Health & Medical Home Goods Industrial Services Legal Real Estate Technology Travel & Hospitality

Data Source: WordStream

TAKEAWAYS

- The best place to start with display ads is retargeting. The CTR of a retargeted ad is 10x higher than that of a typical display ad. Plus, website visitors targeted with this type of display ad are 70% more likely to convert.
- Viewed through the lens of CPC, display campaigns are one of the cheapest forms of advertising. The average cost per click for display ads ranges from $0.40-0.80.
- The average cost per conversion across all industries for AdWords search campaigns is around $75. This means CPA for the real estate industry about average ($74), while CPA for the finance industry is below average ($56).
- Real estate beats every other industry in CTRs for banner ads with 1%. That's twice as high as banner ad CTRs in the finance industry.
- The 0.8% conversion rate for real estate display ads is not far from the cross-industry average of 0.77%. Finance ads beat this average with a conversion rate of 1.1% .
- CTRs for native display ads are 8.8x higher than the average display ad.
- Viewability for display ads on desktop is 53% according to AppNexus. In other words, nearly half of all display ads are never seen by anyone. At 78%, the 300x1050 banner format has the highest viewability.

Native Ads - Overview

Display & Social Native Ads

- Standard display ads CTR by format in the U.S.: 0.08% (enhanced banner), 0.08% (custom in-page ad), 0.06% (rich media banner), 0.07% (image ad), 0.03% (html banner), 0.05% (flash in-page banner). (Data source: AppNexus)
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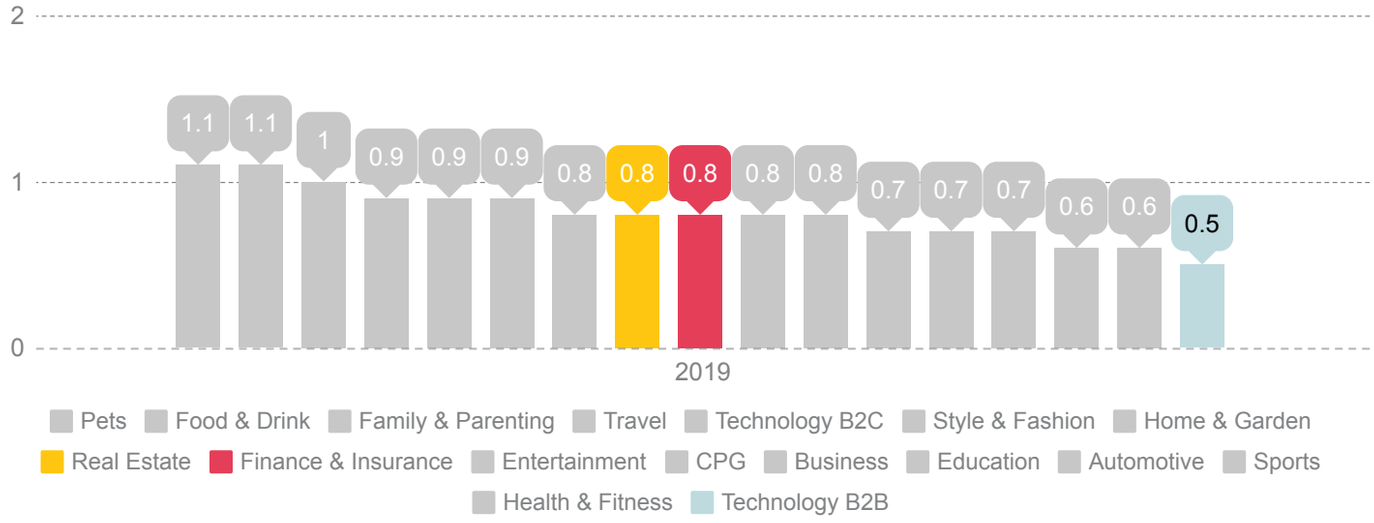

Data Source: WordStream

TAKEAWAYS

- The majority of spending for all other native display ads goes into social networks. According to AppNexus, 84% of other native ads fall into social networks' domain. Native advertising on the open internet accounts for $3-$4 billion in spending, eMarketer reports.
- Native ad spend in the US will reach the $28 billion mark in 2019, according to AppNexus. This represents an increase of nearly 30% year over year for the past three years.

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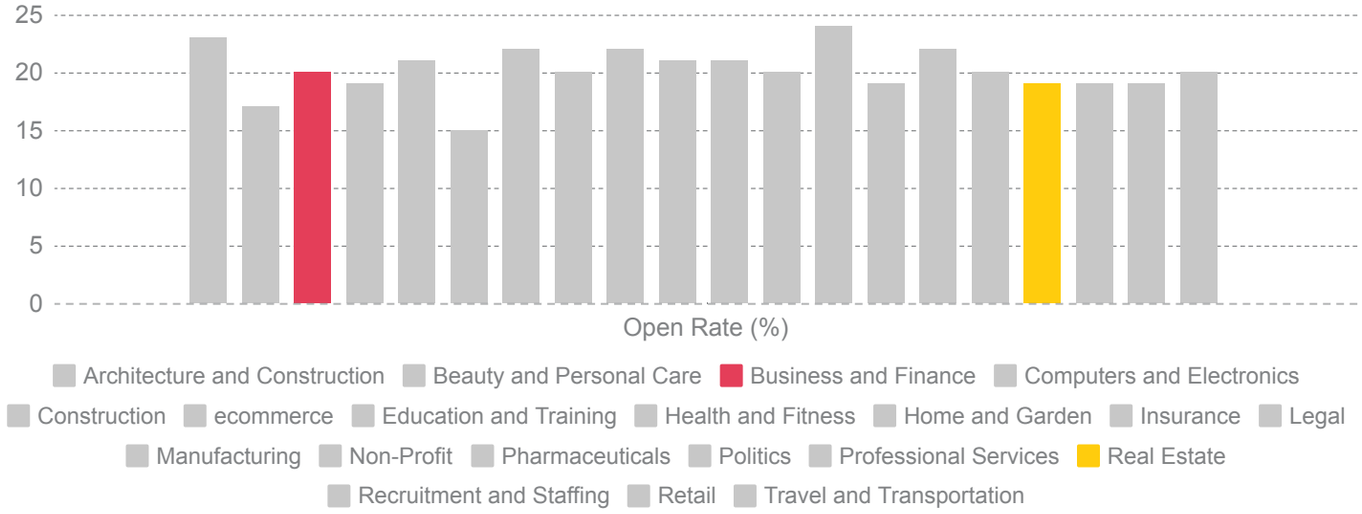
BONUS: Email Campaigns Performance Benchmarks

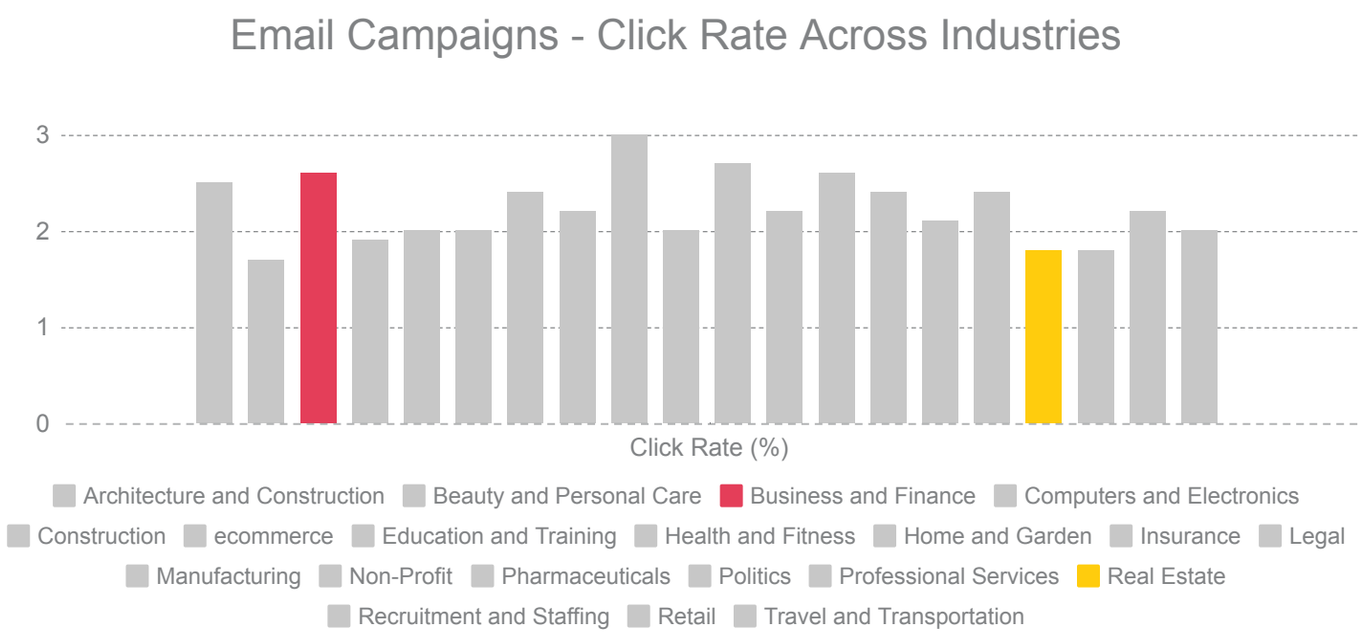
Email Campaign Benchmarks

- According to MailChimp, nonprofits have the highest email open rates at just over 24%, while the average open rate across industries is 21%. Real estate-related email campaigns have an open rate of just under 20%.
- If you're running campaigns in the finance industry, your open rate and CTR benchmarks are 20.4% and 2.6% respectively.
- The average email click-through rate varies from under 2% to over 3%. Real estate emails have an average CTR of 1.8%—second to last among all industries surveyed.

Email Campaigns - Open Rate Across Industries



Data Source: MailChimp



Data Source: MailChimp

TAKEAWAYS

- The 1.8% CTR for real estate is a bit below the average of 2%. For finance, email CTR is above average at 2.6%.
- Unsubscribe rates are relatively low for both finance (0.21%) and real estate (0.29%)

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CONCLUSION

WHAT DID WE OMIT FROM THE REPORT?

While we've added a few select benchmarks below, we've mostly chosen to omit social media. Additionally, while the report covers display ads, programmatic display types merit their own examination as well.

- According to conversionxl.com, the average CTRs for each major social media channel are: Facebook, 0.72%; Twitter, 2%; Instagram, 0.9%; LinkedIn, 0.06%.
- With its multiple ad types, Facebook can deliver increased performance. For example, Facebook video ads have a CTR of 2%.
- Average CTRs by Facebook ad type: photo, 1.37%; video, 2.21%; link, 0.72%; page ad, 1.42%; FBX (Facebook Exchange), 0.04%.

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ABOUT US

LEARN MORE ABOUT NESTREADY

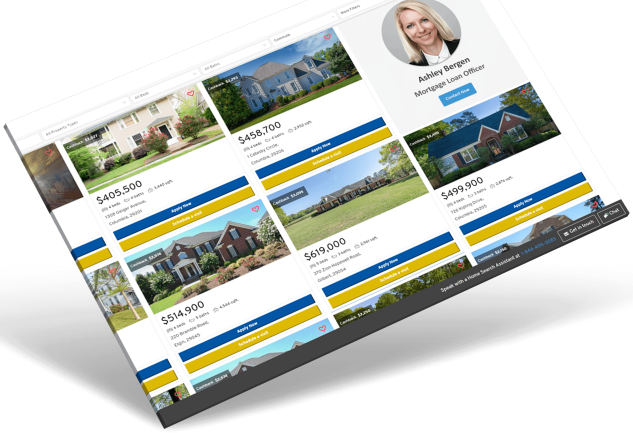
TRUSTED BY LENDERS ACROSS NORTH AMERICA

NestReady's personalized platform puts lenders and loan officers at the center of the homebuying process, making you the trusted brand for every step in your clients' journey.

65% of loan officers want their own real estate marketplace. Build yours today with NestReady.

Provide a Seamless Homebuying Experience

8 out of 10 homebuyers will search for a mortgage lender before looking for a home. Engage these leads early and often with an end-to-end real estate platform that's tailored to your brand.



GET MORE LEADS

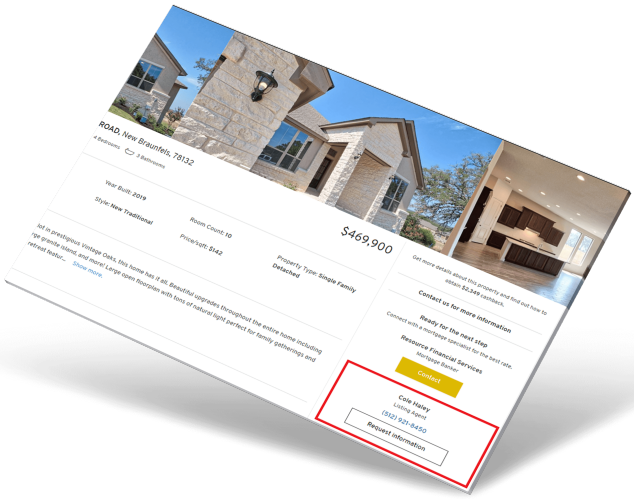
Offer homebuyers the search experience they expect with advanced home discovery tools that build trust and keep your organization top of mind.

GENERATE REPEAT BUSINESS

Customer loyalty is the key to growth and profitability. Engage with your existing client list to unlock more leads.

OFFER CASH BACK INCENTIVES

Entice prospective homebuyers and close more business with the highest cash reward in the mortgage industry.



DRIVE REALTOR REFERRALS

Connect qualified buyers with your network of trusted real estate professionals and promote their listings for mutual benefit.

Grow Your Loan Origination Business

Generate Leads | Expand Your Network | Gain Cashback Advantage & More

Discover NestReady

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