



Eric Richards, REALTOR®

Broker/Owner

SpringsHousesOnline.com



HOW HIGH-CONVERTING REAL ESTATE WEBSITES AND LEAD MANAGEMENT SOFTWARE CAN LOWER COST PER CLOSE

HOW ONE BROKER USES SIERRA'S HIGH-CONVERTING REAL ESTATE WEBSITES AND A FOCUS ON COST-PER-CLOSE TO AVERAGE \$250,000 IN GROSS COMMISSION INCOME PER YEAR.

ANALYTICS AS A BUSINESS STRATEGY

With over \$135 million in sales spanning his 11-year real estate career, it's no secret Eric Richards is one of the leading brokers in Colorado Springs. His approach to Spring Houses Online Realty's success is less well known, but equally formidable: a strategy that gives data and analytics a driver's view of the fast lane that is Colorado real estate.

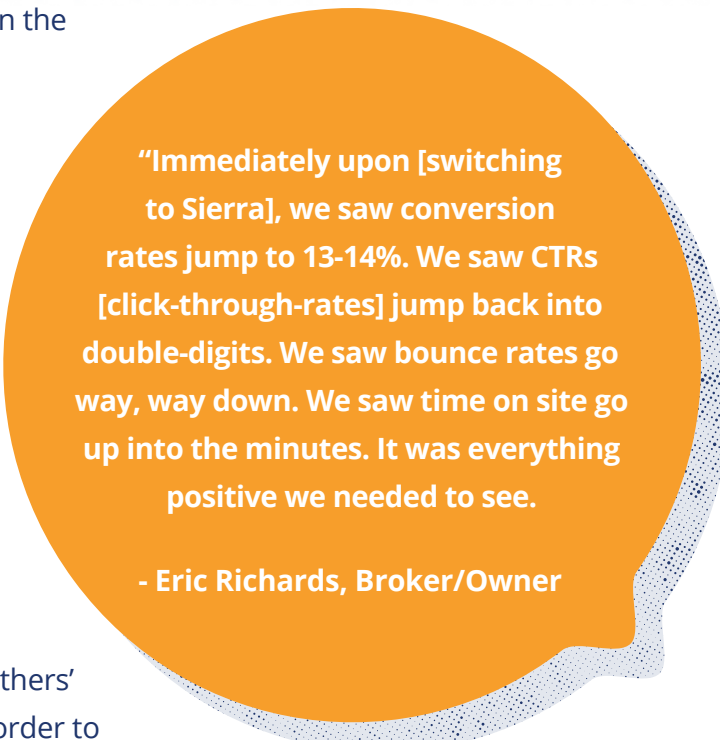
The key to success, according to Richards, is shaping business based on key metrics to keep costs low and gross commission income high. When use of a previous real estate platform drastically raised Richards' percentage of marketing dollars spent per close by an average of 62% (with some properties peaking as high as 118%), Richards knew it was time to reassess.

Cost-per-close is not a metric commonly tracked in the industry. Richards describes it as the amount of dollars he's spending compared to the amount of value (and commissions) he's seeing as a return. In comparison, most realtors tend to look at expenses as just that – money going out the door, without factoring in the return on investment. This differs from the more commonly tracked cost-per-lead (CPL) metric among realtors as it focuses on the quality of leads converting to a sale, versus the amount of leads that are interested in properties but, ultimately, pass.

"What sets my approach to business apart from others' in my industry is the amount of detail I look at in order to optimize commissions," said Richards. "To invest in software, it has to ultimately contribute more dollars in your pocket at the end of the day. "

As Richards' cost-per-close climbed, he wasn't seeing the same amount of leads – or, at least, the same quality of leads – come back. That meant he had to spend more marketing dollars each month to secure the same amount of closings. In some cases, spend more than doubled, with Richards paying an average \$1,200 to close a deal, versus his benchmark \$500-550 to produce a closing. Knowing he wanted the majority of his company's business to be driven through online business, rather than referrals, this was a spend-vs-return ratio Richards couldn't continue. So, he switched gears, and chose Sierra Interactive on the advice of his digital marketing agency because of its SEO-powered, high-converting websites and lead generation management software for realtors that automates lead follow up.

"The fact that the [system] spits out a text to me, gives me an alert on the mobile app, and then sends me an email, means that no matter where I am or what I'm doing in my day, I can either hop on my phone, or get on my tablet, or get on my computer, and make quick follow up. With the auto-drip system, a lot of that follow-up is already taken care of," said Richards.



"Immediately upon [switching to Sierra], we saw conversion rates jump to 13-14%. We saw CTRs [click-through-rates] jump back into double-digits. We saw bounce rates go way, way down. We saw time on site go up into the minutes. It was everything positive we needed to see.

- Eric Richards, Broker/Owner

GETTING BACK ON TRACK BY IMPROVING COST-PER-CLOSE

After switching to Sierra, Richards immediately saw an increase in conversions, which led to a subsequent increase in closings and a lower cost-per-close.

Richards' needs from a website were simple: He wanted to collect website visitors' contact information and be able to follow-up with texts, calls and emails. That meant improving audience engagement to a point where they were registering their information. To achieve this, Richards works on a streamlined, three-step strategy:

1. Leverage ads to target qualified leads
2. Increase qualified lead traffic to the website
3. Ensure the audience finds the real estate they want to see

"Immediately upon [switching to Sierra], we saw conversion rates jump to 13-14%," said Richards. "We saw CTRs [click-through-rates] jump back into double-digits. We saw bounce rates go way, way down. We saw time on site go up into the minutes. It was everything positive we needed to see.

"When it comes to the website, it's undeniably an improvement. Content is presented better, from pictures to layout. But what was even more attractive about switching my platform [to Sierra] is that it brings the right leads to my website. Those two factors combined equal success," said Richards.

COMBINING THE CRM AND WEBSITE

Sierra Interactive offers three main products:

1. A purpose-built CRM for real estate professionals for optimal lead management and follow up.
2. IDX websites, ready made and customizable, with included features ranging from SEO, landing pages, blog functions and more.
3. Pay-per-click Google and Facebook ad management to better position real estate professionals in a crowded market.

"Sierra makes the most sense from the standpoint of increased conversions and a lower monthly cost that then contribute to more dollars in your pocket because your cost per closing is lower whether you realize it or not," he said.

USING METRICS TO DRIVE INDISPUTABLE RESULTS

Using Sierra's product line, Richards' value-driven approach led to indisputable results:

Before Sierra Interactive	With Sierra Interactive	What it means
2-3% Website conversion rates	13-14% Website conversion rates	The right audience is finding the right properties on Richards' website, with the correct information capture being done to accomplish lead follow-up.
70-80% Bounce rates	Improved time on site by minute	More properties are being shown in-depth to qualified leads
\$900-1,200 cost-per-close	\$500-\$550 cost-per-close	Lowered cost-per-close, so Richards is investing the same amount (or less) in marketing spend and closing more properties.

Since implementing Sierra as his website solution in 2020, Richards sees an average of \$250,000 per year in gross commission income (GCI) and a cost-per-close of \$500-550. He is tracking dollars returned at 10:1 for every dollar spent. Richards is also pursuing a business portfolio that is almost entirely driven by online leads, rather than referrals.

"Being very analytical and wanting to focus on cost-per-close as the ultimate metric for my business, Sierra made a ton of sense. Not only is it a lower monthly cost than other solutions I've seen, but it also contributes more dollars into my pocket because the cost-per-closing is lower," Richards explained.

"It's the perfect combination of price and value. For my analytical approach to business, that's especially true. With metrics as successful as these, I'll be a Sierra customer forever," said Richards.

ABOUT

Sierra Interactive develops residential real estate software and services for agents, teams and brokers in the U.S. and Canada. Sierra's proven lead generation and management solutions are trusted by top-performing teams and influential coaches in the real estate industry. Founded in 2007, Sierra is headquartered in Louisville, KY, but has a remote-first workforce across the U.S. For more information, visit sierrainteractive.com.