

Predictive Performance Modeling

How to Predict Your Results
Before You Start...

Predictive Performance Modeling Is...

A financial model, based on conversion metrics, designed to help us calculate what you need to spend - and where - to achieve your sales goals.

We analyze our predictions vs. actual marketing performance and present a report each quarter.

Principles of a Predictive Model Concept

- 0.5 to 2%
- Targeted Cost per Lead
- Lead to Tour Ratio
- Tour to Sales Ratio



Principles of a Predictive Model Possible Results

Assumptions						
1) Average Home Price					\$250,416.67	
2) Average Lot Sales Price					\$62,105.26	
3) Lead Gen Service Agreement is to hit total lead count number (run rate over 12 month period).						
4) Sales Team Converts 20% of leads to showings						
5) Sales Team Converts 15% of showings to sales						
6) Cost of program does not include tax or realtor commissions						
7) Model counts on SmartTouch leading the program execution for all lead generation activities						
8) Total Closings Directly Attributed to all Lead Sources including Signage					120	
Total Recommended Starter Budget					\$383,490.00	
Estimated Gross Sales Revenue based on Average Sales Price					\$41,841,128.60	
Average Cost Per Sales Lead Gen (Program)					\$2,301.85	
% of Sales					0.89%	
Considers Media Buy Only						
Total Closings Lots	190	Ave Sales Price	\$ 62,105.26	Marketing Cost Per Sale	\$436.01	% of Sales 0.70%
Total Closings Homes	120	Ave Sales Price	\$ 250,416.67	Marketing Cost Per Sale	\$1,610.82	% of Sales 0.64%
Considers All Marketing Expenses						
Total Closings Lots	190	Ave Sales Price	\$ 62,105.26	Marketing Cost Per Sale	\$605.51	% of Sales 0.97%
Total Closings Homes	120	Ave Sales Price	\$ 250,416.67	Marketing Cost Per Sale	\$2,237.03	% of Sales 0.89%
Cost Engagement/Lead	\$ 86.91					
Cost Per Unit of Traffic	\$ 422.57					
Cost Per Sale	\$ 2,301.85					

Estimated Gross Sales Revenue based on Average Sales Price of \$250,416	\$41,841,128
Total Estimated Sales	120
Average Cost Per Sales Lead Gen (Program)	\$2,301
% of Sales	0.89%

Principles of a Predictive Model Sample Budget

Tres Lagos	2017-2018 Marketing Program & Recommended Budget																
	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Totals				
Landing Pages English & Spanish Updates Including Cloning		\$1,250				\$1,250						\$1,250	\$3,750.00				
Ad Banner Creative English & Spanish Updates		\$500				\$500					\$500	\$500	\$1,500.00				
SmartTouch NexGen Monthly Fees	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000.00				
Comprehensive Account Report		\$1,800			\$1,800			\$1,800					\$5,400.00				
Interactive & Print Media Management	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,000.00				
Google AdWords Management Fee (Search, Display, & Remarketing)	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200.00				
Google Gmail Ad Creative & Management Fee	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800.00				
Bing Ads Management Fee	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600.00				
Facebook Sponsored Ad Management Fee	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400.00				
Facebook Sponsored Ad Creative	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400.00				
Facebook Canvas Ad Management Fee	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400.00				
Facebook Canvas Ad Creative	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400.00				
Facebook Lead Gen Ad Management Fee	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400.00				
Facebook Lead Gen Ad Creative	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400.00				
Ad Network Proximity Management Fee	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600.00				
Social Media Management Fee Including 2 Month Contest	\$600	\$600	\$600	\$600	\$600	\$600	\$3,500	\$600	\$600	\$600	\$600	\$600	\$10,100.00				
Website Development Phase II including homes/builder/Spanish conversion					\$6,000	\$6,000							\$12,000.00				
Community Brochure & Builder Collateral Design & Print Budget													\$0.00				
Spring Photo & Video Shoot		\$5,000											\$5,000.00				
Misc Website Maint Ad Hoc (Budget)	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,000.00				
Total Admin and Non Lead Gen Fees	\$ 6,150	\$ 14,700	\$ 6,150	\$ 7,150	\$ 13,950	\$ 13,900	\$ 10,050	\$ 7,950	\$ 6,150	\$ 7,650	\$ 6,150	\$ 7,400	\$ 107,350				
Lead Generation Programs	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Budgeted Totals	Based on 5 11 Historic	Lead to Your 20%	Four to Sales 15%	
SEO Services English Only on page optimization, tag work content posting and reporting	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000	455	91	14	
E-Mail Marketing to 3rd Party SmartTouch Lists (12 original campaigns)	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	92	18	3	
1 Outbound E-Mails To Realtors	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	92	18	3	
1 Outbound Email Reengagement To Existing Leads	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	92	18	3	
Google Mexico	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	92	18	3	
Google AdWords Budget (including Remarketing)	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000	400	80	12	
Gmail Ad Budget	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$9,000	150	30	5	
Google AdWords Display Budget	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000	37	6		
Bing Ads Budget	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$4,200	65	13	2	
Facebook Sponsored Posts	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	92	18	3	
Facebook Canvas Ads	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000	46	9	1	
Facebook Lead Gen Ads	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$7,200	288	58	9	
AdNetwork Proximity	\$1,500	\$1,500	\$1,500	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$22,500	225	45	7	
New Home Source & Realtor.com	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000	180	54	8	
Realtor.com Ad Banners	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$11,000	147	29	4	
Trulia/Zillow Preferred Display	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000	160	32	5	
Zillow Preferred Listings Display (Combined with Trulia)	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000	185	37	6	
Homes Preferred Listings Display	\$1,000		\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,500	100	20	3	
New Home Guide	\$ 645	\$ 645	\$ 645	\$ 645	\$ 645	\$ 645	\$ 645	\$ 645	\$ 645	\$ 645	\$ 645	\$ 645	\$7,740	52	10	2	
Rio Grande Vision	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$24,000	80	16	2	
Billboards													\$48,000				
New Phases and Other Community Sales Events													\$18,000				
Lead Generation Expenditure Totals	\$17,345	\$16,845	\$15,845	\$17,345	\$17,345	\$17,345	\$17,345	\$17,345	\$17,345	\$17,345	\$17,345	\$17,345	\$17,345	\$17,345	\$17,345	\$276,140	
Total Monthly Cash Outlay	\$23,495	\$31,545	\$21,995	\$24,495	\$31,295	\$31,245	\$27,395	\$25,295	\$23,495	\$24,995	\$24,995	\$23,495	\$24,745	\$383,490			

Principles of a Predictive Model Sample Results

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SmartTouch NexGen Monthly Fees	\$500	\$500								\$500	\$500	\$500	\$6,000.00				
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Bing Ads Budget	\$350	\$350								\$350	\$350	\$350	\$4,200.00	65	13	2	
Facebook Sponsored Posts	\$500	\$500								\$500	\$500	\$500	\$6,000.00	92	18	3	
Facebook Canvas Ads	\$250	\$250								\$250	\$250	\$250	\$3,000.00	46	9	1	
Facebook Lead Gen Ads	\$600	\$600								\$600	\$600	\$600	\$7,200.00	288	58	9	
AdNetwork Proximity	\$1,500	\$1,500								\$2,000	\$2,000	\$2,000	\$22,500.00	225	45	7	
New Home Source & Realtor.com	\$1,500	\$1,500								\$1,500	\$1,500	\$1,500	\$18,000.00	180	54	8	
Realtor.com Ad Banners	\$1,000	\$1,000								\$1,000	\$1,000	\$1,000	\$11,000.00	147	29	4	
Trulia/Zillow Proffered Display	\$1,000	\$1,000								\$1,000	\$1,000	\$1,000	\$12,000.00	160	32	5	
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Homes Preferred Listings Display	\$1,000	\$500								\$500	\$500	\$500	\$6,500.00	185	37	6	
New Home Guide	\$ 645	\$ 645								\$ 645	\$ 645	\$ 645	\$7,740.00	52	10	2	
Rio Grande Vision	\$ 1,000	\$ 1,000								\$ 1,000	\$ 1,000	\$ 1,000	\$24,000.00	80	16	2	
Billboards													\$48,000.00				
New Phases and Other Community Sales Events													\$10,000.00				
Lead Generation Expenditure Totals	\$17,345	\$16,845								\$17,345	\$17,345	\$17,345	\$276,140	3,177	653	120	
Total Monthly Cash Outlay	\$23,495	\$31,545								\$24,995	\$23,495	\$24,745	\$383,490				
SmartTouch Billing	\$7,400.00	\$10,950.00								\$7,400.00	\$8,900.00	\$7,400.00	\$8,650.00	\$117,350.00			

Key Performance Indicators

Example Client: Tres Lagos | Master-Planned Community in McAllen, TX



Key Operating Metrics – SmartTouch Totals Combined Web Traffic & Walk-In Traffic

Total Lead Gen spend of **\$47,032**

- Total contracts for Ensenada are **8**
- Total contracts for Escondido are **26**
- Total contracts for Estancia are **1**
- **Total contracts for Q2 2018: 35!**

Ensenada	Total	Conversions
Leads & Engagements	113	
Traffic	77	68.14%
Sales	8	10.39%

Escondido	Total	Conversions
Leads & Engagements	306	
Traffic	233	76.14%
Sales	26	11.16%

Estancia	Total	Conversions
Leads & Engagements	63	
Traffic	11	17.46%
Sales	1	9.09%

Tres Lagos - General Interest	Total
Leads & Engagements	1,005
Traffic	-
Sales	-

Combined Total	Total	Cost	Conversions
Leads & Engagements	1,487	\$31.63	
Traffic	321	\$146.52	21.59%
Sales	35	\$1,343.77	10.90%

*Leads include internet form submissions, click to call and driving directions from Google and LP & reengagement clicks.

Key Performance Indicators– Benchmark Predictions 2017 – 2018 Calendar:

Combined Total	Total	Predicted Total	% Difference	Predicted Cost	Actual Cost	% Difference
Leads & Engagements	1,487	779	47.61%	\$65.51	\$31.63	51.72%
Traffic	321	160	50.16%	\$318.97	\$146.52	54.07%
Sales	35	24	31.43%	\$2,126.46	\$1,343.77	36.81%

- When compared to the 2017-2018 predictability model, overall cost per lead/engagement (\$31.63 CPL) is 51.72% less than what was predicted (\$65.51 CPL). The cost per unit of traffic is coming in at 54.07% less (\$146.52 CPT), and based on 35 sales in Q2 2018 the cost per sale is 36.81% less than the predicted cost of \$2,126.46 (current - \$1,343.77 CPS).
- All calculations based on Q2 2018 total media buy spend of \$47,032

**Predicted costs reflected from 2018 approved budget*

Key Operating Metrics – SmartTouch Total

** Only includes unique Registrations*

Lead Source	Total
Facebook Lead Gen Ads	146
Parade of Homes	112
Online Search	52
Facebook	47
Friend Referral	45
Walk-In/Drive By	33
Google AdWords	31
Zillow Group	31
Word of Mouth	25
BDX	24
Billboard	22
Real Estate Agent	20
Fit Fest	10
Internet Ad	9
Facebook Carousel Ad	4
Trulia	3
Google Display	3
Bing	2
Google Gmail Ads	2
IDEA	2
Facebook Video Ads	1
Proximity	1
Direct Mail	1
Email-DGP	1
Facebook Canvas Ads	1
Realtor.com	1
Total	629

Key Performance Indicators – CPL

Lead Source	Number of Engagements	Cost Per Engagement
Facebook Lead Gen Ads	146	\$12.19
Facebook	67	\$20.44
Facebook Carousel Ads	16	\$23.60
Zillow & Trulia	200	\$30.00
Email-DGP	43	\$34.88
Google Adwords	271	\$38.74
Bing	24	\$41.97
Gmail Ads	3	\$46.89
SmartTouch GEO	118	\$49.99
Google Display	43	\$56.90
Online Search	55	\$68.18
Facebook Video Ads	4	\$184.19
Facebook Canvas Ads	2	\$295.30
Total	992	\$36.39

**Engagements include form submissions, click to call and driving directions*

**CPL based on 2018 actual media spend for each line item*

Total Registered Submissions

** Only includes unique registration contacts from CRM*

Ensenada				
	April	May	June	Total
2018	46	41	20	107
Escondido				
	April	May	June	Total
2018	93	99	102	294
Estancia				
	April	May	June	Total
2018	17	17	6	40
Tres Lagos - General Interest				
	April	May	June	Total
2018	44	65	79	188
Total Leads				
	April	May	June	Total
2018	200	222	207	629

Key Performance Metrics

Total Traffic by Community

Community	1st Tour	Be-Back	Totals
Escondido	151	82	233
Ensenada	61	16	77
Estancia	7	4	11
Total	212	102	321

Key Performance Metrics: Total Tours by Lead Source

*SmartTouch GEO contributed to
117 tours:*

*The following top 5 lead sources were found
on the tour dates recorded in the CRM*

Friend Referral: 30

Facebook: 18

Word of Mouth: 18

Online Search: 11

Real Estate Agent: 10

Community	Total
Friend Referral	69
Facebook	38
Word of Mouth	34
Online Search	32
Real Estate Agent	31
Billboard	20
Google Adwords	17
Zillow	15
Parade of Homes	13
Internet Ad	12
Walk-in/Drive-by	10
Facebook Lead Gen Ads	7
BDX	6
New Homes Guide	2
ZillowGroup	2
Google Gmail Ads	2
Facebook Canvas Ads	2
IDEA	2
Proximity	2
Imports	1
Google Display	1
No Lead Source Provided	1
Realtor.com	1
Facebook Video Ads	1
Total	321

*SmartTouch GEO tour date cross referenced Tours by Source in CRM.

Key Performance Indicators Sales to Source

Lead Source	Escondido	Ensenada	Estancia	Total
Friend Referral	6	3	0	9
Real Estate Agent	3	1	1	5
Facebook	3	1	0	4
Online Search	2	1	0	3
Billboard	2	0	0	2
Facebook Lead Gen Ads	2	0	0	2
Walk-In/Drive By	1	1	0	2
ZillowGroup	1	1	0	2
BDX	1	0	0	1
GooglePlus	1	0	0	1
IDEA	1	0	0	1
Internet Ad	1	0	0	1
New Homes Guide	1	0	0	1
Parade of Homes	1	0	0	1
Total	26	8	1	35

**Only contacts with a contract submitted date in SmartTouch CRM*

Event Tracking Overview – Landing Page Engagement

Source	Event Label	Community	Total Events	Unique Events
Google AdWords	Driving Directions	Escondido	11	10
		Estancia	23	22
		Tres Lagos	58	54
		Total	92	86
Click to Call	Tres Lagos	8	8	
Google AdWords Text Ads	Click to Call	Tres Lagos	129	129
Bing	Driving Directions	Tres Lagos	21	19
	Click to Call	Tres Lagos	1	1
Email DGP	Driving Directions	Tres Lagos	37	37
	Click to Call	Tres Lagos	5	4
Facebook	Driving Directions	Tres Lagos	20	20
Facebook Canvas Ads	Driving Directions	Tres Lago	1	1
Facebook Carousel Ads	Driving Directions	Tres Lagos	12	12
Facebook Video Ads	Driving Directions	Tres Lagos	3	3
Google Display	Driving Directions	Tres Lagos	38	38
	Click to Call	Tres Lagos	2	2
Google Gmail Ads	Driving Directions	Tres Lagos	1	1
Realtor.com	Driving Directions	Tres Lagos	2	2
Spanish LP - Google AdWords	Driving Directions	Tres Lagos	7	6
	Click to Call	Tres Lagos	4	3
Website	Driving Directions	Tres Lagos	3	3
	Click to Call	Tres Lagos	156	156
ZillowGroup	Driving Directions	Tres Lagos	160	148
		Ensenada	6	6
		Total	166	154
	Click to Call	Tres Lagos	2	2
		Escondido	1	1
	Total	3	3	
Grand Total	Driving Directions		403	382
	Click to Call		308	306
	Total		711	688

Total Driving Directions | 403

Total Click to Calls | 308