



Microsoft Virtual Earth Platform Customer Solution Case Study



Real Estate Firm Launches 3-D Visual Online Property Search Tools

Overview

Country or Region: United States

Industry: Real Estate

Customer Profile

John L. Scott Real Estate concluded more than 61,000 transactions in 2005, grossing U.S.\$17 billion dollars. It has 132 offices and more than 4,600 sales associates in the Pacific Northwest.

Business Situation

John L. Scott empowers its clients with information, especially through its award-winning Web site, www.JohnLScott.com. Executives wanted a more informative, powerful online tool to better serve both buyers and sellers.

Solution

Turning to the Microsoft® Virtual Earth™ platform, John L. Scott launched its High-Definition Home Search™ online tool that uses immersive bird's eye imagery and interactive mapping.

Benefits

- Logged highest monthly traffic ever
- Increased number of return visits by 46 percent
- Increased search performance by 300 percent
- Increased number of properties displayed on map by 15 percent
- Created unique, experiential online search

“We want to use technology to become *the* vertical real estate portal in the Pacific Northwest. The Microsoft Virtual Earth platform has helped us take a quantum leap forward in that direction.”

J. Lennox Scott, CEO, John L. Scott

As a leading residential real estate company in the Pacific Northwest, John L. Scott is well known for its commitment to technology to optimize online listing features on its Web site. The company strives to continually provide a better online experience through detailed, robust property information. When managers saw the Microsoft® Virtual Earth™ platform, they immediately decided to integrate the immersive, visual, three-dimensional aerial views and interactive mapping technology into the site. In under a month of development time, John L. Scott launched High-Definition Home Search™. This experiential way to see homes from a bird's eye view boosted online visits to their highest levels ever, increased return visits by 47 percent, and provided viewers with a 300 percent performance improvement over the previous property search tool.



Situation

Based in Seattle, Washington, John L. Scott is one of the most successful regional real estate companies in the United States, with offices serving the states of Washington, Oregon, and Idaho. Led by third-generation Chairman and Chief Executive Officer J. Lennox Scott, the company's unique commitment to developing the relationship between client and realtor is based on providing people with as much information about listings and real estate transactions as possible.

"Real estate is an information-based service industry. It used to be that realtors were the holders of information and clients were dependent on that," Scott recalls. "Back in 1990, we realized that this was the wrong way to go about things and we made a conscious effort to move from being the holders of information—to becoming the information source. And we knew, even back then, that we needed to enlist the latest technologies to help us deliver information to potential home buyers and sellers in order to develop that close client-and-realtor relationship."

Changing Consumer Behavior

With the advent of the Internet, the company was one of the first in the nation to publish all its listings with photos on its Web site. "The

Internet is the greatest information communication tool in the history of our industry," comments Scott. "So now, when we see ways to improve the information available on our Web site, we turn to Web-based technology to leverage the power of the Internet to deliver relevant information to new and existing clients."

Industry-endorsed statistics back up Scott's enthusiasm. Table 1 illustrates how changing consumer behavior confirms the business value of empowering online visitors with the best real estate and market information available.

The Internet has changed consumer behavior in a way that plays perfectly into John L. Scott's philosophy of empowering home buyers and sellers with market information, including visual images of houses for sale. "Ten years ago, nobody was looking for real estate on the Internet," says John Chang, Vice President, Marketing and eBusiness, at John L. Scott. "We have led the industry in this shift to providing more and more online information, and it's because we have embraced technology to supplement the personal service and expertise that our realtors provide."

Need for More Visual Information

Over the years, John L. Scott has redeveloped its Web site multiple times, most recently integrating an interactive mapping solution that provided clients with more information about homes for sale in a specific neighborhood.

"We had a dynamic mapping solution from ESRI with a Macromedia Flash layer on top that enabled people to draw a square around the area they were interested in to see the houses for sale," explains Chang. "But it was relatively flat and had slow draw times, detracting from the experience of looking for homes in different areas."

Table 1: REAL ESTATE CONSUMER BEHAVIOR *

Behavior	Traditional	Internet
Use Internet for home search		77 percent
Use newspapers, drive by	33 percent	
Time spent searching before using a realtor	2 weeks	6 weeks
Likelihood of engaging a realtor to conclude transaction	63 percent	81 percent
Time spent searching with realtor to find home	7 weeks	2 weeks

*Study from the National Association of Realtors, 2005 and the California Association of Realtors, 2006.

“I believe that Microsoft will continue to lead the field in this sector. Partnering with Microsoft at this early stage will allow John L. Scott to stay on top of immersive mapping technology—exactly where we like to be.”

John Chang, Vice President, Marketing and eBusiness, John L. Scott

When Google made satellite imagery available for real estate companies, John L. Scott added this functionality to its Web site to provide an aerial view of the house. However, for the visitor, the Google map and the ESRI map were two different entities in the user interface. For John L. Scott's technology service provider, Microsoft® Certified Partner Real Tech, they were two different technologies that had to be bolted together.

“From the client’s perspective, there was no way to see both the map and the satellite imagery together, so there was no visual context in which the viewer could really ‘see’ the home,” explains Chang. “This also added more clicks and more time to the search. And because John L. Scott’s inventory covers three states, clients had to wade through a text-based search, choosing geographic areas from drop-down menus.”

“We wanted to take our property search tools and the way we market homes for sale to a new level by changing a visit to the John L. Scott Web site into a dynamic, experiential encounter with real estate market information,” says Scott. “And in real estate, the most important experience is visual. Every client wants to look at the home, they want to see the neighborhood, and they want to get a feel for the community.”

Solution

Given the company’s legacy of adopting technologies faster than its competitors, John L. Scott’s executive team decided to take advantage of a new technology from Microsoft to improve clients’ online search experience and provide more and better visual information about houses and the market. So when Scott and Chang first saw a Microsoft® Virtual Earth™ mapping software demonstration, they were excited to roll out the product immediately.

“It took about two seconds for me to say, ‘Let’s go!’” recalls Scott. “With its high definition, bird’s eye imagery, and three-dimensional aerial views of properties, I knew immediately that the Virtual Earth platform would be a quantum leap forward in creating that dynamic, experiential Web-based home search for our clients.”

The Microsoft Virtual Earth platform is a brand new set of powerful, integrated online mapping and search services that use unique bird’s eye and satellite imagery that John L. Scott can integrate into its Web site to create a superior immersive property-search tool. With the Virtual Earth platform, John L. Scott can create an immersive experience that enables its clients to easily search for, discover, and visualize living in a particular home and its neighborhood. (See Figure 1.)

“There were two factors that got me excited,” says Chang. “Compared to ESRI and Google Maps, Microsoft Virtual Earth delivers a far better visual experience, especially the bird’s eye view allowing clients to see houses from above at a 45 degree angle. And there was the Microsoft track record of continuing to advance technology the way no other company does. I believe that Microsoft will continue to lead the field in this sector. Partnering with Microsoft at this early stage will allow us to stay on top of immersive mapping technology—exactly where we like to be.”

The Virtual Earth platform is the next evolution of the Microsoft MapPoint® Web Service. Virtual Earth is a flexible and reliable platform for developing innovative, yet cost-effective location solutions with unique imagery, dynamic maps, step-by-step driving directions, various content layers, and an intuitive user experience. It offers developers more flexibility in creating mapping and location-enabling applications that can be

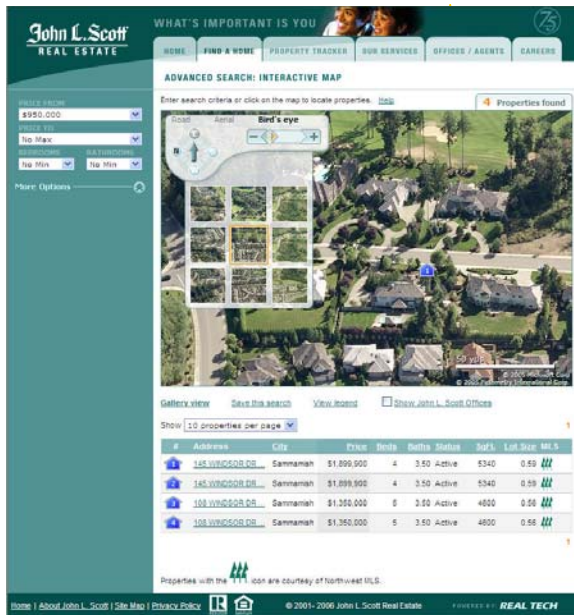


Figure 1 – John L. Scott’s High-Definition Home Search tool is powered by the Microsoft Virtual Earth platform. Interactive, immersive visuals like this bird’s eye view are redefining how customers search for homes online.

embedded in a company’s existing Web-based solutions.

Rapid Deployment

The company quickly engaged Real Tech to do just that. Real Tech had been responsible for the company’s most recent Web site redesign and it was familiar with the philosophy that John L. Scott brings to its Internet marketing strategies. “We had several months of research and prototype development already invested in a competing map-based technology,” says Steve Empey, Chief Executive Officer of Real Tech. “But as soon as the Microsoft Virtual Earth platform became available, we

took on the necessary initial training and work—and turned it into a very quick deployment of this superior technology. Our team immediately recognized the power of Virtual Earth maps and they enthusiastically produced an exceptional property search experience for John L. Scott in a short timeline. The project was completed in less than a month.”

Another reason for the quick deployment lies in the flexible development environment behind the Virtual Earth technology, which provides opportunities for Real Tech developers to modify the product to fit the needs of its client. In this case, they customized the user interface and the mapping controls, and enhanced the application code to make sure that John L. Scott listings were served up instantly to the client’s browser.

Improved User Interface

Powered by the Microsoft Virtual Earth platform, High-Definition Home Search™ debuted on the John L. Scott Web site in May

2006, providing clients with a deeply immersive, visual experience while looking for homes or learning about the real estate market in their area. Instead of two different mapping and visual tools, Real Tech used the Virtual Earth platform to create a seamless client experience by delivering mapping, satellite, and bird’s eye imagery in a single page.

“The main challenge of creating a really intuitive map-based search is giving the client the ability to perform the search and see the results all on the same page. Previous iterations of property searches required the client to submit his search criteria and then view search results separately which created a disconnected experience,” explains Empey. “The other challenge is progressively displaying the data to the client as he wants to see it. We integrated search criteria, the interactive map, and a detailed home information display grid—the result is a property search dashboard all on the same page.”

Home buyers enter search parameters including price range, desired location, and number of bedrooms. All parameters affect the map immediately providing incredible exploratory searches to home buyers. They can also use the interactive controls to drag the road map to target geographic areas that fit their search criteria. Users can examine the map as an aerial view—a photo from outer space—while zooming in and out to see the area’s landscape. Numbered house icons pop up over the map in either view and, when a client moves the mouse over an icon, it opens a small window with a picture and more details about the property. Below the map is a grid of further details pertaining to all the houses on the map. Rolling over the grid also brings up the balloons on the map, giving the client instant home images without losing the geographical context of their search.

Where available, clicking on the bird's eye imagery control in the navigation tool delivers exciting, 3D-like views of the property seen from a bird's perspective. Clients can zoom out to get a better understanding of neighboring streets, parks, and schools. "Real Tech was great to collaborate with on this project," says Scott. "It was a real team effort, with our interactive marketing team, our public relations group, our leadership group, individuals in the offices that were first points of contact for technology, as well as the agents. Everyone worked together to get this significant project off the ground."

Benefits

With the launch of High-Definition Home Search, John L. Scott became the first residential real estate company to offer 3D-like aerial views of properties and to provide comparable sales data within their interactive mapping and property search tool. "Microsoft Virtual Earth provided the technology that we needed to create a paradigm shift in the way we deliver real estate information to clients in a dynamic, experiential way," says Scott. "For the first time, we can deliver high-definition visual information to clients, which help them get a "feel" for a property in the way a still photo or square footage statistics will never do."

It's that experiential factor that differentiates John L. Scott's Web site from others, and it

aligns perfectly with the company's established marketing philosophy by providing a different sort of information—more visual and immediate—that's driving increasing numbers of Web site visitors to engage with a John L. Scott realtor. Not only is the company continuing to differentiate itself with yet another technology "first", but it's also improved the online experience of its clients, generated more business, improved John L. Scott's services for sellers, deepened the relationship between client and realtor, and increased its ability to attract top notch realtors to grow the company.

Improved Online Experience

With High-Definition Home Search, more people are viewing more houses in less time than ever before—up to 300 properties can be viewed simultaneously at www.johnlscott.com—in less than one second. And Web site visitors are able to refine their searches right from the start, using the map to move directly to the area of interest, instead of using drop-down menus to select broad neighborhoods.

"Today we are offering clients the ability to switch back and forth between road map, aerial, and bird's-eye views with one click of the mouse," says Chang. "Homes are much more discoverable because we have reduced the number of clicks required for a search, enhanced the search results' display performance, and presented the data in the right priority—all in a single page. This provides a better overall experience for the home buyer."

Table 2 illustrates how, since implementing the Microsoft Virtual Earth powered High-Definition Home Search interactive mapping and visual property search tool, John L. Scott's clients view more homes in less time.

Chang cites one client's e-mail message out of many that supports his statement: "John L.

Table 2: IMPROVED ONLINE USER EXPERIENCE

Percentage of visitors using High Definition Home Search	77 percent
Search results performance improved	300 percent
Number of clicks and time to reach property specifics	3 clicks, 8 seconds
Number of clicks and time to reach property specifics on next-best Web site	5 clicks, 11 seconds
Increase in number of properties displayed on map	15 percent

“Compared to ESRI and Google Maps, Microsoft Virtual Earth delivers by far the better visual experience, especially the bird’s eye view allowing clients to see houses from above at a 45 degree angle.”

John Chang, Vice President, Marketing and eBusiness, John L. Scott

Scott has always had a good Web site, but the recent improvements and upgrades truly put you in the realm of world class. Let me tell you that it makes a world of difference to the prospective buyer when it comes to doing business with a particular real estate company. The chances are that he or she will wind up doing business with the company whose Web site they have been using. It is a direct reflection on that company's desire to help the potential buyer find their new home. Keep up the good work.”

Generating More Business

Implicit in the customer’s e-mail is proof that John L. Scott is generating more business and increasing loyalty among existing clients by empowering them with information that helps them find a new home. After all, a major purpose of John L. Scott’s Web site is to inform potential clients in such an engaging manner that they will take the next step and initiate contact with a John L. Scott realtor.

While the High-Definition Home Search tool has only been up and running for just over a month, the statistics for May 2006 revealed:

- Highest number of visits recorded ever in a single month at 1,167,551
- Number of unique visits per month increased by 11 percent
- Number of new visitors per month increased by 15 percent
- Returning visitors increased 46 percent over the previous month
- New property tracker accounts increased more than 50 percent

“Because of the surge in inquiries from online visitors who want to view a home, or get more information about a home, or list their home with us, we have had to hire two new people in our e-commerce center,” adds Scott.

The increase in site traffic and number of homes viewed means that John L. Scott can also improve the services it provides to home sellers. “With the Virtual Earth platform driving Web site traffic and property views, we can truly provide a superior client experience for our sellers by showcasing a house in a unique way,” says Scott.

Deepening the Client-Realtor Relationship

High-Definition Home Search empowers home buyers to narrow their search and make more informed decisions before they go on to engage a John L. Scott realtor. And together, the realtor and the client spend less time looking until they close a transaction. In the long run, this shortened sales cycle means that John L. Scott realtors can sell more homes, generate more satisfied customers, and improve the company’s reputation for high quality, efficient personal service.

“Clients are walking into a relationship with a realtor better informed, so that they can fully capitalize on what the realtor has to offer as an advisor and consultant in the transaction process,” says Chang. “It’s more like teamwork, and that makes the client feel empowered that they made the right decision, both about the home and the realtor.”

Recruiting More Realtors

Even in the short time since the debut of High-Definition Home Search, Scott has noticed an increase in interest on the part of realtors wanting to join John L. Scott.

“Microsoft Virtual Earth and our new search feature has definitely added luster to what we do as company and the excitement is attracting new people,” Scott says. “When I ask them why they want to join the company, many point out our reputation, visibility in the market, and technology. That’s a gratifying

For More Information

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For more information about Real Tech products and services, call (425) 467-4150 or visit the Web site at: www.realtechllc.com

For more information about John L. Scott services, call (206) 230-7600 or visit the Web site at: www.johnlscott.com

endorsement of our policies. We want to use technology to become *the* vertical real estate portal in the Pacific Northwest. The Microsoft Virtual Earth platform has helped us take a quantum leap forward in that direction.”

Microsoft Virtual Earth

The Virtual Earth platform is Microsoft's next generation mapping and location service. It combines the MapPoint Web Service with exciting new innovations around bird's eye, satellite and aerial imagery, dynamic map styles and enhanced local search. Using the Virtual Earth platform, companies and government organizations can create an immersive online mapping and search experience that enables their customers to easily discover, search, explore, share, and visualize business location data and locally relevant information. For developers, Virtual Earth supports a variety of programming environments and can be easily integrated into business applications, like customer relationship management and supply chain management.

For more information about Microsoft Virtual Earth, go to: www.microsoft.com/virtualearth

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