



How Profile Referral Systems expanded its phone-and-fax business to the Internet.

Case study : Profile Referral Systems : www.profilerelocation.com

Lansing, Michigan is the home of Profile Referral Systems (PRS) <www.profilerelocation.com>, a national relocation and real estate referral business. For most of its 12-year existence, the company's primary business and client base came from corporations relocating their employees. Its realtor referrals, which came largely from relocation activities, were a relatively minor source of revenue. As with so many traditional realty and moving services, PRS's primary tools were the phone and fax machine.

Between a prolonged downturn in the corporate relocation business and the huge growth of the Internet in the last several years, however, the company's world changed in ways it could not have anticipated. Less relocation business led PRS to revamp its realtor arm. Early in 2002, PRS laid the groundwork for an expanded realtor referral business by obtaining detailed data from interested agents around the U.S. The idea was to create a large database of extensive profiles of the individual services, specialties, and locations of many more realtors than PRS had worked with directly.

Clearly, demand was there: the database quickly ballooned to 10,000 profiles. To accommodate this content, PRS turned to the web, building its first robust web site to allow users to search for realtors by zip code or town.

Initially, says President and CEO Lee Greve, PRS envisioned a site which agents would use to promote themselves. One way PRS could build sales in this area was to offer premium memberships to realtors, allowing greater customer access to detailed profiles. "Customers have more choice if we have more realtor members," notes Greve, "and the more revenue from memberships, the greater ROI for our web site buildout."

Approach

In April 2002, PRS began advertising its realtor referral business using Google. Greve believed that print advertising was "worthless – money down the drain." He hoped that building the site would increase customer requests for realtors, and wanted a web strategy built around keyword search engine advertising, an obvious approach for a small business in a niche market. But he knew there were risks.

"I was scared about the cost," he says. "What if 1000 people clicked through every day and I had to pay for each click?" When he learned that AdWords customers have control over their CPC bids, and can limit searchers by country or other parameters, he was relieved. "I like the auction format as well as the ability to set a daily budget," says Greve. "It makes so much sense." As for Google's ability to display ads on partner sites, "I didn't see the impact or the value at first," says Greve. "But when Google partnered with AOL, immediately our volume of traffic tripled."

Other AdWords features such as flexible ad creation and reporting are critical to a business whose results are dramatically affected by real-time response. Greve steadily monitors traffic and clickthroughs, and can revise messaging when necessary. "I love that part of it. With Google I can constantly tweak the text in my ads and see immediate results. It's an extremely easy-to-manage solution for online advertising," he says.

Results

That constant fine-tuning for better results has paid off for PRS. Since May 2002, Greve has been able to lower the cost per click 32 percent, from 43 cents USD to 29 cents USD. Meanwhile, the number of unique visitors to PRS now runs 16,000-20,000 per month, up from just 1200 per month prior to Google.

"My membership sales to realtors have gone up a lot," says Greve. "And Google-based traffic is giving me 65 to 70 percent clickthroughs!" As for hot leads, today PRS receives 20 to 30 phone calls each week coming from customers on the site. Greve has hired two outbound telemarketers to encourage membership sales. While the relocation industry continues to be sluggish, PRS's ratio of business has completely flipped. "Our online referral business using Google AdWords has replenished what we lost from the relocation downturn," Greve says. "The website started out being kind of a hobby, but now it's a division of the company. We concentrate at least 60 or 70 percent of our efforts on the web."

Google AdWords' client services have also provided PRS with a very positive experience. "The Google sales support team has helped us get our clickthrough rate up – and our cost-per-click down – by reviewing and targeting keywords for us," says Greve. "They're so helpful. We're very comfortable working with them."

For a business like PRS whose success and business model have been dramatically affected by changing times and technologies, Google AdWords is a boon, concludes Greve. "If I hadn't seen with my own eyes that people DO click through, I wouldn't have believed it, but now I know better. I am a firm believer in Google AdWords!"

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