

**Alphalist – Real Estate Search Engine
Business Model**

ADM 3396 – Business Model Competition
presented to
Dr. Bruce M. Firestone

by
Jean-Benoit Lesage
5000839

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Telfer School of Management
University of Ottawa

Business Description

Alphalist is a real estate search engine which aggregates for sale by owner listings and agent listings into one interface. The mission of the company is to make the experience of searching for real estate online pleasant, simple and productive. We aim to accomplish this mission by providing an intuitive user interface, convenient search tools, innovative features and relevant neighbourhood demographics. A secondary mission, which ties into the first, is to provide a unified marketing platform for those who have listings to sell or rent while enjoying huge savings compared to existing solutions on the market.

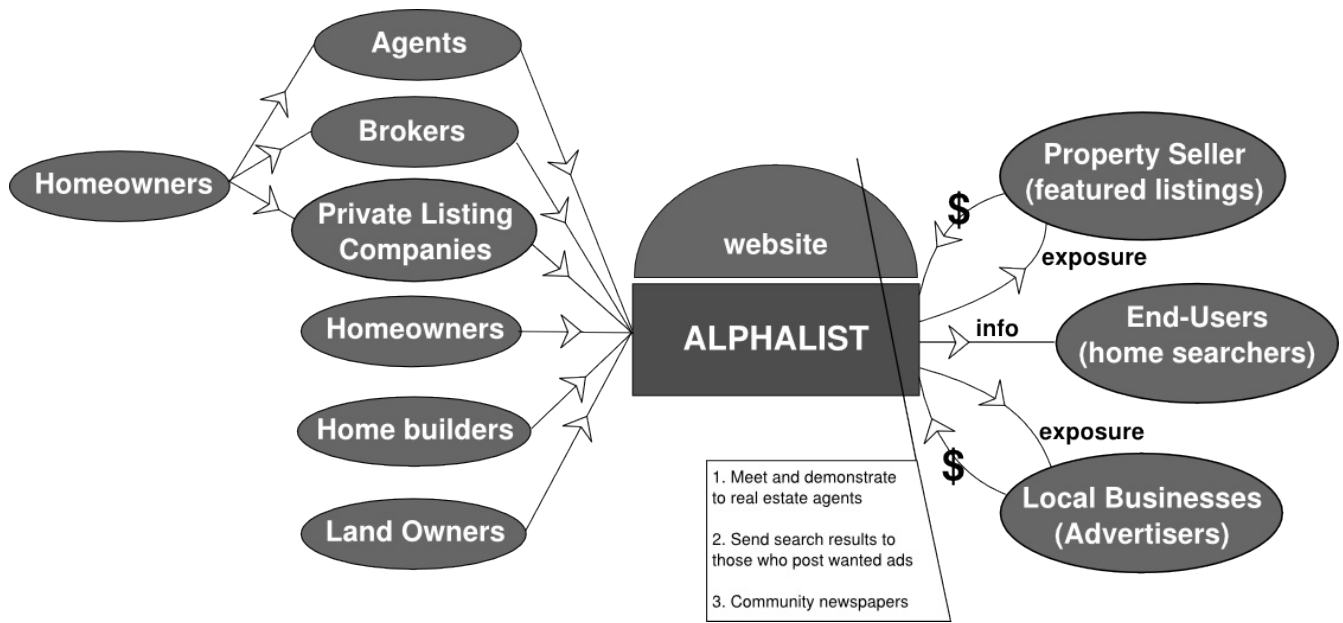
Anybody can post a listing for free, whether they are a homeowner, agent, broker, home builder, land owner, commercial property owner or private listings company.

Revenues are generated through featured listings and location-based advertising. One featured listing per month costs \$15, while 25 featured listings cost \$40 per month. The location-based advertising is 30\$ per slot, and there are a finite number of slots for each neighborhood or area that an end-user may be searching through.

What is our pixie dust? It comes in many forms. For end-users, it starts with a user experience that is intuitive and powerful but not complicated – a combination that currently does not exist on the market. It saves them time because all of the research about the neighborhood a listing is located in is included on the individual listing page. Statistics like average household income give a sense of what the neighborhood is like, and showing the nearby schools, stores, gas stations and banks make it clear which facilities are available.

For real estate professionals, who often have listings numbering in the hundreds, it can be very tedious and time consuming to write up the information for each of their listings, and it can be costly to hire someone to do this for them. It is for this reason that they have access to a “import your listings” feature, which collects their listings directly from their website instantly. The time savings alone is something very valuable to any real estate agent.

Business Model Ecosystem



ECQ Test Score: 82

Guerilla Marketing Test Score: 67

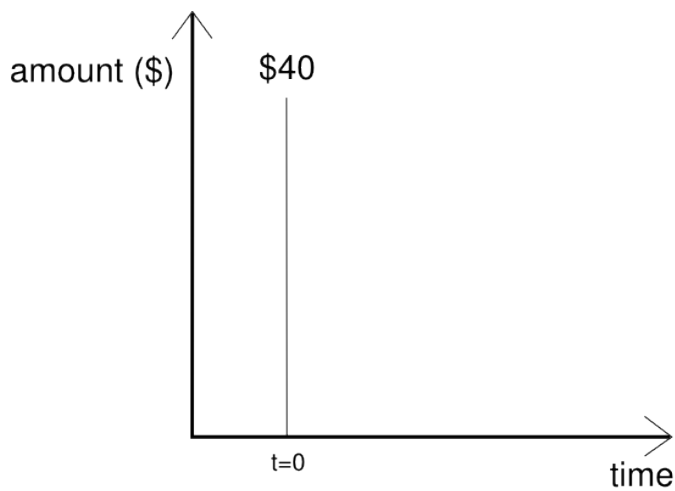
Business Model Test Score: 86

Cash Conversion Cycle

This business model is unique in that our suppliers provide listings to the website for free because it is in their interest to attract visibility to those listings. Because of this, the business never suffers from an outlay of cash to pay suppliers – the only costs associated with running the business are fixed, such as web hosting and administrative fees.

In this case we are analyzing a one month payment of \$40 for 25 featured listings. The good delivered is digital and purely administered by the client, so delivery is instantaneous.

One month payment of \$40 for 25 featured listings:



Value Proposition for 1 Featured Listing

Here we are analyzing the value proposition of someone who purchased the option to have one featured listing by comparing it to competing services on the market.

Current Pricing Scheme (per month)

1 Regular Listing	FREE
1 Featured Listing	\$15.00
25 Featured Listings	\$40.00

Value Proposition for a Real Estate Professional (1 Featured Listing)

Comparison 1

	<u>1 month</u>
Ottawa Citizen Classified Ad	\$267.00
Alphalist Featured Listing	\$15.00

Value Added **\$252.00**

Comparison 2

	<u>1 month</u>
Kijiji Top Ad	\$120.00
Alphalist Featured Listing	\$15.00

Value Added **\$105.00**