

# Final, 106T, Zillow (HBS 9-913-021)

3:00-6:00, Sat 13<sup>th</sup> December 2014

Student Name:

Student ID:

TA Section:

## Shorter Questions [5 points each = 35 points]

**Question A:** Is there a conflict of interest between a seller and their agent?

**Question B:** You are an agent selling a house. It has been listed at \$200k for the past month, and you are thinking about lowering the price by \$10k. Discuss the costs and benefits of the price change. How is the tradeoff affected by the distribution of buyers' values, the arrival rate of potential buyers, and the impatience of the seller?

**Question C:** Is there perfect competition among real estate agents? Why or why not?

**Question D:** What is the marketing funnel? Where does Zillow fit into this?

**Question E:** What is Zillow's competitive advantage over its competitors (e.g. Trulia)?

**Question F:** Should Zillow buy a real estate brokerage to supply exclusive content?

**Question G:** How is this case similar/different from the Yelp case?

## Longer Questions [65 points]

**Question 1 [15 points]:** Is Zillow a friend or foe of agents?

**Question 2 [15 points]:** Does Zillow care about keeping agents happy? If so, what actions could it take to keep them happier?

**Question 3 [15 points]:** In the current business model, how does Zillow monetize? How significant are these sources of revenue likely to be? Is it enough to justify the \$87m of venture funding?

**Question 4 [20 points]:** What is the value added of agents? Could Zillow disintermediate (i.e. supplant) the agents?



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