Statement of Commissioner Ohlhausen, Commissioner Wright, and Commissioner McSweeny
Concerning Zillow, Inc./Trulia, Inc.
FTC File No. 141-0214
February 19, 2015

increase either on real estate agents generally or on high performing agents. The evidence was inconclusive. First, there is evidence that a high volume of agents leave Zillow and Trulia on a regular basis, suggesting that alternative advertising sources may constrain their pricing. Second, there is no reliable evidence as to the magnitude and proportion of high performing agents that exist in any particular zip code. Third, there is no evidence that the parties have the ability to price discriminate and thereby target the high performing agents with a post-transaction price increase.

Staff rigorously examined whether quantitative analysis supported the conclusion that a merged Zillow-Trulia would be able profitably to raise price. First, staff found that real estate portals represent only a small portion of agents' overall spend on advertising and that there was no evidence that real estate portals offered a higher ROI compared to other forms of advertising to a sufficiently high percentage of agents. If agents spent a high percentage of advertising dollars on real estate portals or if real estate portals offered a higher ROI than other forms of advertising, then the merged firm could conceivably raise price post-merger. Second, despite significant effort, staff was unable tivc 0 t.f(i)dc 0 Twef(i)ti.ger