

# NEED MORE LEADS?



THE MOST POWERFUL KEY TO MARKETING SUCCESS ISN'T A BIGGER AD BUDGET OR MORE WEB TRAFFIC. IT LIES IN ADDRESSING CONVERSION

By Kevin Oakley, Contributing Editor

**A**saying drilled into me by my very first manager in the home building business is: “When you’re not hitting your sales goal, you either have a lead generation problem or a conversion problem.” That manager was right, of course. Your sales problems can be boiled down to one of those two. The more complex part is finding the solutions for those problems. I’m going to make it a lot easier for you by arguing that in the current market conditions you can ignore the traffic problem 99 percent of the time. Instead, spend your time and budgets addressing the conversion problem.

## RULE OUT TRAFFIC. HERE'S WHY

The numbers make the case. This winter, a Bankrate survey reported that 59 million people in the U.S. are considering a home purchase this year; more than one in four said they’re very likely to buy. That’s staggering. Website data from a range of small, medium, and large builders tell us that, on average, site traffic is up 58 percent compared with a year ago. Traffic may be down in your model homes, but it’s being more than offset by a rise in online traffic. If sales were truly a numbers game, then we would all be huge winners in terms of both sales and profitability—but not everyone is winning.

Even more persuasive is a study that my company, Do You Convert, conducted earlier this year with Lasso CRM. We mystery-shopped the top 50 home builders on *Professional Builder’s* 2016 Housing Giants list by submitting three online leads to each of them, performing 150 shops in total. Each builder received a lead with a name, phone number, and email address—along with a brief comment or question—during normal business hours from three distinct sources: the builder’s own website, a giant real estate syndication portal, or on the builder’s Facebook page. In the first week after submitting these 150 requests for information, 64 percent of builders had not emailed us and more than 90 percent never called us.

In that same study we did with Lasso, it was revealed that the lack of email response is the worst it has been since we began gathering data via a similar study in 2012, and phone responses have decreased more than 12 percent compared with our study last year. Something is wrong, and marketing leaders need to stop patting themselves on the back about their high online traffic and lead counts and get into the messy business of helping to solve the conversion problem. When nine out of 10 online leads generated aren’t receiving a phone call to help facilitate a six-figure sale, it’s a situation you can’t afford to advertise your way out of.

## WHAT'S CAUSING CONVERSION PROBLEMS?

Two symptoms create the online conversion problems our industry is facing: the ever-growing technological skills gap at the top levels of most organizations today, and knowledge of its existence, which in turn causes leadership to act out of fear—of not knowing enough, of missing a key trend, or falling behind the curve. The problem is, racing to stay ahead without a full understanding of the systems being put in place leads to ignoring prospects and focusing on manipulation rather than facilitation.

## TECHNOLOGY SHOULD SIMPLIFY ... AND HUMANIZE

You know the feeling of being stuck in a phone tree, pressing the keypad in a frustrating loop of choices that seem designed to prevent you from talking to a human being? That’s a technological stiff-arm: applying technology that’s supposedly helping customers get where they need to, but in reality makes them feel less valued and elevates their dissatisfaction. Today we stiff-arm our prospects via email, chat services driven by artificial intelligence, and marketing automation.

The proper application of technology to solve our conversion problems is to make the experience of purchasing a new home easier and less complex. Often this means connecting

# THINK AGAIN



## MANIPULATION VS. FACILITATION

When it comes to work culture, the wrong use of technology also can create a view of marketing as more manipulation than facilitation. This applies to both prospects and employees. For example, at Do You Convert we're often told that a prior implementation of a CRM tool has failed. Upon digging in, we uncover that one of the reasons is management saw the system as a chance to micro-manage and manipulate the sales team to finally do what they're told. That Big Brother approach is a huge, yet common, mistake. Implementing CRM is not something you do to your sales team, but something you do *for* them.

When it comes to prospects, misuse of technology leads to a lack of respect and empathy for the buyer. Prospects become numbers or sets of emails, not human beings in search of a home. It can lead to a false sense of security or a feeling that you can manipulate consumers with the "perfect" email message. The best way to solve the conversion problem is to make it easy for the prospect to act when ready, using the method they prefer. Our job isn't to motivate the unmotivated, it's to make sure we make it simple for prospects to say, "I'm interested, please help me," so you can meet them where they are and help them to quickly and easily take the next step.

Your opportunity to stand out has never been greater. If you want to sell your homes for a premium, you need to deliver a premium experience that begins well before buyers put their trust in you and sign. Allocating the time, energy, and dollars required to address our industry's conversion problem first requires acknowledging that the current problem isn't traffic and that more advertising isn't the cure. **PB**

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one human being to another as smoothly and easily as possible (rather than creating automated tech systems that get in the way, slow the process, or stop it altogether, hobbling follow-up). Much of this technology is in place because understaffed online sales teams are overwhelmed by the number of people requesting information.

Sometimes we end up ignoring our prospects because the technology we put in place has broken and no one is regularly inspecting it to make sure it works as intended. Imagine if your management team only inspected the appearance of your decorated models or community amenities once or twice a year. The product would likely be far below your standards. The same is true for technology—it needs consistent attention and upkeep.