

MULTIFAMILY  
MARKETING GUIDE:

# LEAD MANAGEMENT



# ABOUT THE MULTIFAMILY MARKETING GUIDE SERIES:

**It's time to change the way we think of marketing strategy in the multifamily industry.**

Rather than relegating it to a line item on your budget, start to look at it as an integral part of your portfolio's overall success. In today's digital world, marketing affects -- and is affected by -- every other part of your operational plan. Good marketing strategy will not only help your communities attract the right leads, but also help streamline processes further down the renter journey.

Your marketing strategy should address lead acquisition, lead to lease conversion, and resident retention.

**The Multifamily Marketing Guide series will give you the framework to build a next generation marketing strategy.** This guide is part three of the series and covers lead management best practices.

Following the outlined steps in this guide will help you understand lead management best practices, build your own lead management process and help you improve lead acquisition, conversion and velocity.

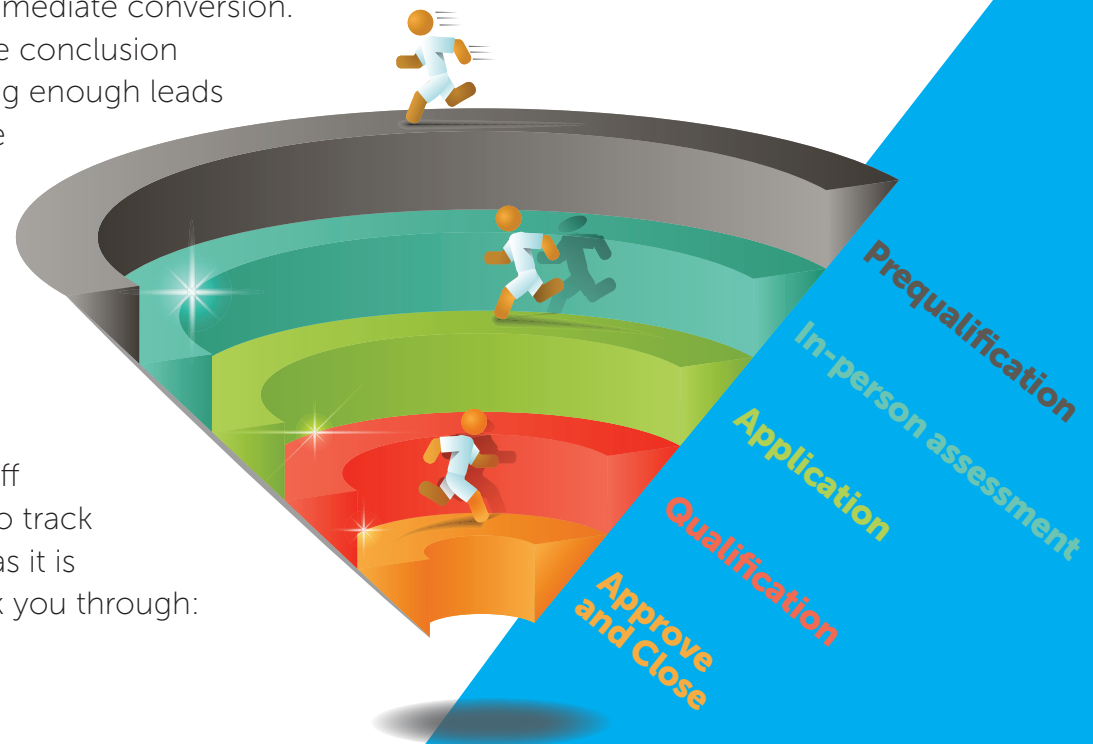


# MULTIFAMILY MARKETING GUIDE: LEAD MANAGEMENT

Lead management in the multifamily industry has often been oversimplified to include only acquisition and immediate conversion. Only measuring these two stages can lead to the conclusion that your lead acquisition sources aren't providing enough leads or enough high quality leads. However, there are many stages in the renter sales cycle between initial acquisition and lease conversion that can impact your lead-to-lease conversion ratio. Ignoring them may cause leads to slip out of your funnel, impacting your ROI.

To accurately measure the success of your marketing efforts, you have to look at the handoff between marketing and leasing. You also need to track and measure the key stages of your sales cycle as it is reflected in your lead funnel. This guide will walk you through:

- The basics of lead management
- How to build a lead management framework
- The role of tracking metrics in improving acquisition, conversion and velocity



# STEP 1: THE BASICS OF LEAD MANAGEMENT

Lead management refers to what happens to a lead once it enters your leasing funnel. When properties miss their occupancy or revenue goals, marketing is often blamed. While this may appear to be your problem, how you manage your leads may actually be the root cause.

Research shows that over 38% of leasing calls go unanswered.\* If your marketing sources are generating enough leads, but almost half of them are missed, you're wasting money. Additionally, if your leasing teams aren't following up promptly or ensuring a positive onsite experience, renters will generally look elsewhere. You need a documented lead management process to track failures in acquisition and conversion, and improve your overall lead-to-lease conversion ratio.



# STEP 2: BUILDING A LEAD MANAGEMENT FRAMEWORK

A lead management framework will help you identify breakdowns in your process and ways to optimize revenue. Start by documenting the key stages in your leasing sales cycle.

As expected, not every lead will progress through your entire funnel; dropout will happen at every stage. Certain leads are considered a "long-term" opportunity; they might not be ready to make a decision for an extended period of time but meet your initial qualification criteria. Keep them warm through lead nurturing efforts. Leads that will never convert should be disqualified and removed from your funnel. Establishing a benchmark for stage-to-stage progression will help you define success and improvement.



Here are some baseline suggestions for establishing expectations at each stage of your lead funnel once a net new lead is acquired:

## Prequalification

A member of your leasing team, whether part of your onsite staff or a call center, should follow up with every lead within 24 hours. The recommended timeline varies based on the method in which they submitted their lead. For instance, phone leads should be responded to within a 2-3 hour window, while email is usually given a little more leeway.

 This stage is where your leasing team will establish the renter's **B.A.N.T.**:

**B Budget:** Does the community fall within the renter's price range? Discuss specific income guidelines and requirements with the prospect at this time.

**A - Authority:** Is the lead the ultimate decision maker? If not, what is the role of this person in the decision-making process? Find out who else should be involved in the conversation -- spouses or parents, for example.

**N - Need:** Does the community's availability, location, features, amenities, pet policy, etc., fit the renter's needs?

**T - Timeline:** Are they looking to move in the next 30-90 days? If not, it's best to put them into a nurture campaign to keep the community top-of-mind until the time is right.

If your community's inventory doesn't fit the renter's needs, you can easily disqualify them. Don't pigeonhole your leads, though. Work with them to establish if any of their requirements or timelines are flexible and suggest alternatives or refer them to another community within your portfolio that would be a better fit. Take a consultative approach to leasing to foster trust and increase renter loyalty.





## In-person assessment

After establishing B.A.N.T., your leasing team should schedule an onsite tour. Ideally, they should ask for the appointment during their prequalification conversation. There may be a certain amount of back and forth with the renter to find a time that works for both parties, but it's important to be persistent in this stage as it is essential to progressing them through the funnel.

If they are able to schedule an appointment, your leasing staff should communicate with them according to a predetermined cadence as their appointment approaches. For example, after scheduling, they should send a confirmation email with the time and date or a calendar invitation. Set up a communication series for all leads that shows features of your community and builds excitement. The day before the appointment, the leasing agent should either call, text or email to confirm that they are still able to attend.

Due to out of state moves or scheduling conflicts, some leads may be unable to perform an in-person assessment. If this is the case, provide alternative options for them to evaluate your communities, including live-streaming virtual tours, panoramic walkthroughs or a series of email communications that show what it's like to live at the community.





## Application

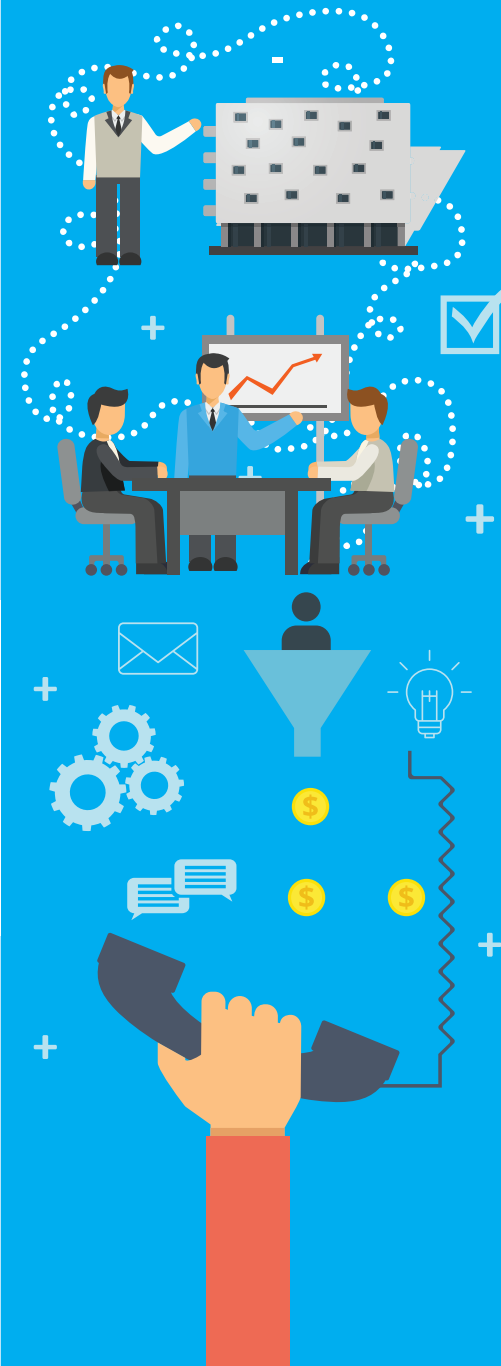
After the renter has engaged with an onsite or virtual tour and your leasing agent feels confident that they might convert, the opportunity process begins. Tracking the opportunity stage of your lead management process is important for two reasons. First, it will help you establish your occupancy forecast. Second, it will allow you to measure opportunity velocity. Once a renter has seen your community, how long do they typically take to sign a lease? What can you do to help increase this velocity?

Remember, your community is unlikely to be the only one they are considering, so it isn't realistic to expect them to apply on the spot. That doesn't mean you shouldn't try, however. Train your leasing team to use a variety of techniques during the onsite tour to prompt the renter to submit their application.

**Since you know their desired move date and requirements, you can put leads in this stage of your funnel into a nurture campaign. Your goal is to create a sense of urgency or exclusivity to entice them to apply. Follow up via email, text or phone to remind them about the features they liked or any leasing specials you're running. You want your community to stay top-of-mind as they evaluate their options. Make sure your calls to action are clear, for example: Submit your application online. Lead nurturing like this can increase conversions.**

Schedule a follow-up call within 3-5 business days of their tour to answer questions or ease concerns that may be keeping them from submitting an application. If they don't engage or respond, they've likely chosen another community.

Note: Closed-lost leads are not completely dead; they just need to be recycled. Since you know their move date, build a long-term nurture campaign in preparation for their lease renewal.







## Qualification

This is the most self-explanatory stage of the funnel and one to which most property management professionals are accustomed. Prospects who submit an application are extremely interested and should be considered a high probability opportunity. The next step for your leasing team is to ensure your rental criteria are met. Typically, this step should take place within 24 hours of receiving the application and include credit, background, income and rental history verification. Disqualification of leads at this stage is straightforward.



## Approve and Close

Leads that have applied and met your rental criteria progress to this final stage of your lead funnel. Application approval does not necessarily equal a closed-won opportunity, however. Your team's job isn't complete until the renter actually signs their lease and moves in.

Upon approval, schedule a time to have the renter sign their lease or, even better, provide it to them electronically. When their move-in date comes around, schedule an in-person appointment to walk through the unit and hand over keys. While some leads may progress quickly through this stage, moving in shortly after their application is approved, others may take a little longer. For move-in dates further out or pre-leases, try to secure the signed lease as soon as possible. Then put them into a nurture campaign to create excitement and facilitate communication leading up to their move-in date.



## Why your lead management framework matters.

For every stage, it's important to track that your lead management guidelines are being followed. If you're using a lead management tool or marketing automation platform, you should be able to set your follow-up cadence as well as schedule alerts for when that cadence is not met.

Whatever your lead management process looks like, it's important that you have trained your leasing teams and have full adoption from them. Lead management processes allow for better visibility into how your inbound, outbound and engagement marketing efforts perform.



## STEP 3:

# USING METRICS TO IMPROVE LEAD ACQUISITION, CONVERSION AND VELOCITY

Once you've established your lead management process, you need to begin measuring a few key metrics to see what's working and what's not. Over the first few months, collect the following data to establish your baseline:

### **Lead progression by stage**

What percentage of your leads progress from each stage to the next? For example, how many of your incoming leads progress from prequalification to in-person assessment; from in-person assessment to application; from application to qualification; and from qualification to approved and closed.

Since you know there will be dropout at every stage, you can eventually calculate how many leads you will need to generate for every one net new resident. When you know this metric, you can adjust your lead acquisition tactics to generate enough leads to meet your revenue and occupancy goals.



This metric also illustrates the possible breakdowns in your funnel. If your lead sources send you 100 new leads each month, but only 60 enter stage 1 of your lead funnel, your leasing team is missing a large portion of the leads you're paying for and, ultimately, driving up your cost per lease. Out of those 60, if only 40 progress to stage 2, the problem lies with the quality of leads you're receiving. In other words, 33% of your leads had needs that misaligned with your inventory. This indicates a disconnect in your targeting and messaging.

For each stage, if the progression percentage falls below your expectations, examine the potential problem. Does your online image match the onsite experience? Are you communicating your rental criteria properly through both digital and human engagement channels? Stage measurement allows you to identify issues and make adjustments to help you more reach your goals more efficiently.

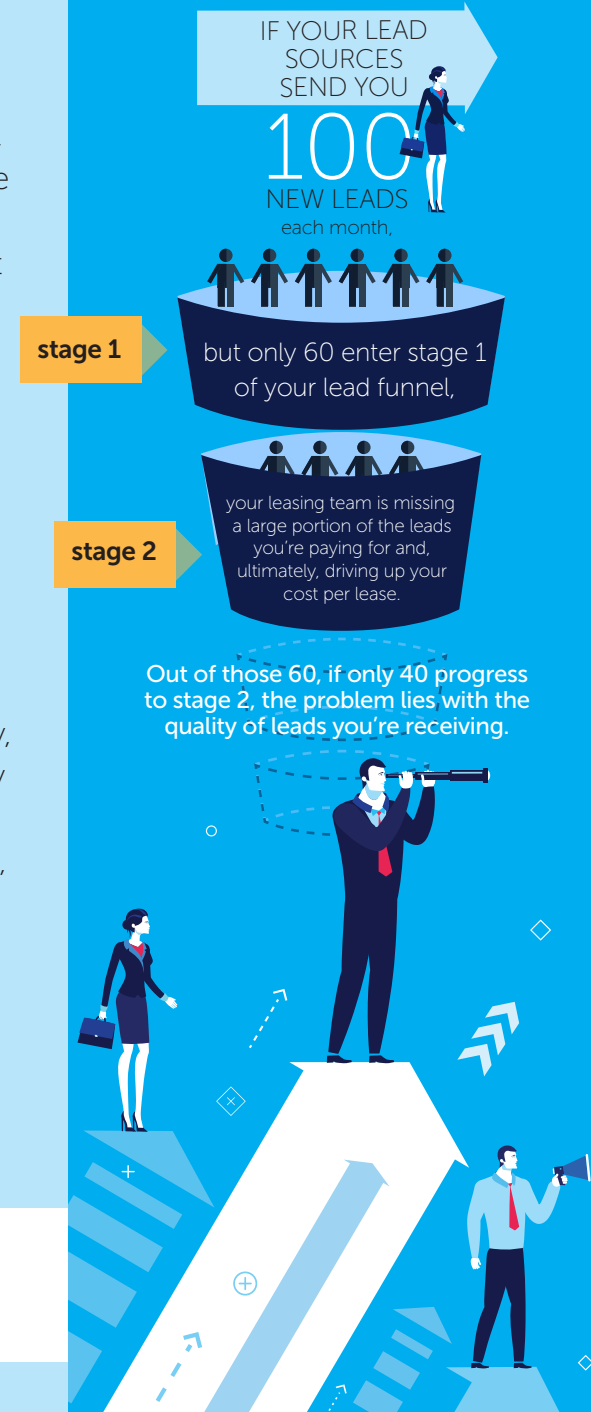


## Lead Velocity

The average speed at which a lead progresses from stage to stage and, more globally, from acquisition to conversion is considered your lead velocity. If leads are constantly being disqualified or recycled because they do not progress to the next stage in the expected timeframe or it is taking longer than expected for leads to convert to leases, you need to reevaluate. You might have a misconception about the length of your sales cycle or you might not be using appropriate lead nurturing techniques to move leads through your funnel.

Once you've established your baseline, you'll be able to identify which areas you need to adjust. You'll also be able to calculate how many leads you need to generate in order to reach your goals.

**If you know that it takes 30 leads to generate one lease and each lease generates \$12,000 in annual revenue, it should be fairly simple to calculate how many leads you need to generate to reach a revenue goal of \$100,000 this year.**



# CONCLUSION: WHY IS THIS IMPORTANT?

Lead management is one piece of your revenue generating strategy. An effective lead management approach with accurate attribution will empower you to allocate marketing spend more effectively. Implementing these tactics will provide transparency into whether you need to invest in better training, technology, or lead acquisition methods. You'll also have a better understanding of your ideal renters and be able to make more strategic decisions about the types of messaging and channels used to reach them. This will improve both lead velocity and conversion rates.

You won't have true clarity into the performance of your marketing sources and effectiveness of leasing staff if there isn't a defined lead management process in place. Establishing, implementing and measuring this process will give you the ammunition to make better marketing decisions that help you reach your occupancy and revenue goals.





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