

What Should I Do With Web Leads?

By Tom Bradbury and Doug Coons

Executive Summary

A recent interview with a leading interactive Web site designer for homebuilders reveals several key points:

- The vast majority of homebuyers are shopping on the web
- Web shoppers who walk into a sales office are not visiting you for the first time
- If done well, web leads can be converted at a significantly higher rate than traditional walk-ins

This shift in buying behavior has occurred in recent years due to the tremendous growth in on-line access: more than 70% of US households are online—and it is increasingly being viewed as a serious tool by home buyers. The first of three key questions being asked by builders, “What’s in it for me?” has thus been answered. That leaves two questions:

- How can I improve my sales given the web lead phenomenon?
- What do I need to do differently?

Several key enablers are discussed, including: web lead management, on-line lead follow-up, and necessary skills.

This is Not Your Father’s Sales Lead

The world has changed and probably for the better. A well-known internet web consultant was recently discussing web leads at the Southeast Building Conference in Orlando. He emphasized the fact that everyone, meaning builders, advertises in newspapers—but it can be tough to evaluate the benefit of newspaper advertising. Specifically, determining how many potential visitors walked into the sales office after reading a newspaper ad. This is particularly disheartening given the tough market conditions for builders that are squeezing costs and advertising budgets.

When scrutinizing costs, one of the first items to be questioned by builders is print advertising, specifically newspaper advertising. In many metropolitan areas, the cost of a half page weekly ad can

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approach five figures—more if you add color or increase the size. Many builders have countered by advertising online or sprucing up their website. Typical builder websites feature community descriptions, floorplans and virtual tours. The ultimate goal of these sites is to have the visitor fill out a “Contact Us” page, thus creating a web lead.

What Now?

What happens when you receive a web lead? How do you follow-up? This is a treacherous step, fraught with pitfalls. The answers can depend on several factors and requires careful thought. Some items to consider:

1. How does the web lead want to be contacted? Since it is highly unlikely someone will purchase a home over the internet, the ultimate goal of a web lead is a visit to your sales office. The key question deals with how best to approach the web lead. Too passive an approach can be perceived as aloof and difficult to work with. Too aggressive and you risk coming across as pushy.
2. How long before you contact the lead? The information pertaining to the web lead, typically sent via email, is available instantly. It is standard practice to send an auto response message. What happens after the auto response message? Should you contact the lead right away? Wait a while so you don't appear too eager? These questions have to be addressed before the first web lead comes in.
3. What should I say to the lead? This is a critical question. Once again, you risk being perceived as eager or aloof, so the correct tone is critical. This may depend on the type of community, the type of buyer you are dealing with (e.g., is this likely to be a nervous first time buyer or a more experienced empty nester?)
4. Who should contact the lead? This ties into several questions. Are providing enough information or the right information that allows your web lead to determine which community is right for them, or are you going to work with them on this? What if the information they receive before they ask to be contacted is misunderstood? Your approach should address these possibilities.
5. Do I handle all leads the same? This is not a trivial issue. For example, are all web leads coming from the same place,



or are some likely to have a different view of your products? If the web leads are not all funneled through the same place, it is likely they will have different views of your product and company. You will have to somehow get them all to the same place in order to work with them effectively.

To summarize, an incoming web lead is a wonderful opportunity that must be dealt with in a robust, deliberate manner. The real trick is that the approach must also be flexible enough to allow discretion. This means that those handling the web lead need to be set up for success—the first time, every time.

Increased Conversion

After you decide to begin proactively managing your web leads, the next step is to walk through the sequence of events. This requires mapping out the sequence of events, i.e., capturing key information about each step. Typical information you will want to capture for each step or task includes:

- Owner: Who owns the task?
- Duration: How long should the task take?
- Method of notification: How will the owner know they need to do something?
- Required information: What information does the task owner need do their work?

Additionally, it might help to document the reasons behind the steps in the process—these can include: ensuring consistency, appealing to customer demographics, community marketing approach, etc.

Benefits

It's worth emphasizing that all of this work is not being done for its own sake, but in order to sell more homes. The documentation must be streamlined and effective. Since obtaining web leads can be a very cost effective way to bring in more traffic to your sales center, the upside is tremendous. If done right, it can even result in a higher conversion rate. Industry experts have noted that a typical 4 to 5% lead conversion rate for walk-ins can be as high as 20% for web leads. Since these web leads have already shopped your product on your website, the key to an effective conversion rate is good lead management and follow-up.



What Else Should I be Doing?

In addition to mapping your lead management process, there are several things builders should consider:

- **Training**: Your entire customer-facing team needs to be trained on the differences/nuances of web leads
- **Method of Contact**: Many builders allow web leads to indicate preferred method of contact on the Contact Us page—this plays to the lead’s comfort zone and can ease the transition from the web to sales office
- **Skillset**: Online follow-up can be a very different skillset than following-up with a phone call or sales office walk-in; many builders have recognized this and developed alternate approaches for dealing with web leads
- **Automation**: The consistent handling of web leads can be a daunting tasks—these activities are ripe for use of tools to ensure the steps are automatically executed (i.e., automation)
- **Measurements**: To ensure activities are being performed effectively, builders can usually benefit from measuring how well things are going: conversion to appointment, timeliness of response, etc.

Next Steps

After documenting the web lead process, home builders should consider some of the items above. This should all be tied together into an overall Standard Operating Procedure (SOP). The SOP, which can be known by different names, such as: operating manual, operational procedure, etc., should set forth roles, responsibilities, etc. The latest copy of the SOP should be made accessible to all members of the team, preferably on a 24/7 basis. This helps avoid confusion and ensures everyone has visibility into your company’s approach to dealing with web leads.