



Turning Internet Leads Into Income

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Reaching Your Audience

Almost three quarters of American adults are now using the Internet according to Pew Research Center. A web site has become a storefront with a potential audience of 221 million any time of the day or night. Not bad marketing for a mere twenty-five-year-old!

Rent.com, the largest Internet referral service in the rental housing industry, recently conducted a study on over 1,000 apartment shoppers that reported 84% of apartment seekers shop on the Internet. 67% of those use a search engine like Google, Bing or Yahoo to locate an apartment, with Google leading as the favorite. Of the 74% of Americans that use the Internet, 94% of them have an annual income of over \$75,000, are college graduates, and urban dwellers: in essence, the most perfect of prospects.

With such encouraging statistics pointing the way as to how the industry's most sought-after prospects choose to do business, it is essential to make Internet leasing a viable part of your marketing budget.

Reality Check

We recently completed a secret shopping analysis of 300 apartment properties across many geographic and economic locations in the US as part of an extensive online leasing case study in 2010.

- Only 18.1% of Internet inquires were answered with a telephone call in an average of 6.9 working hours.
- 46.9% of Internet inquiries returned a personalized email message in an average of 8 working hours.
- 62.2% sent an automated email response.
- 43.4% did not respond at all.

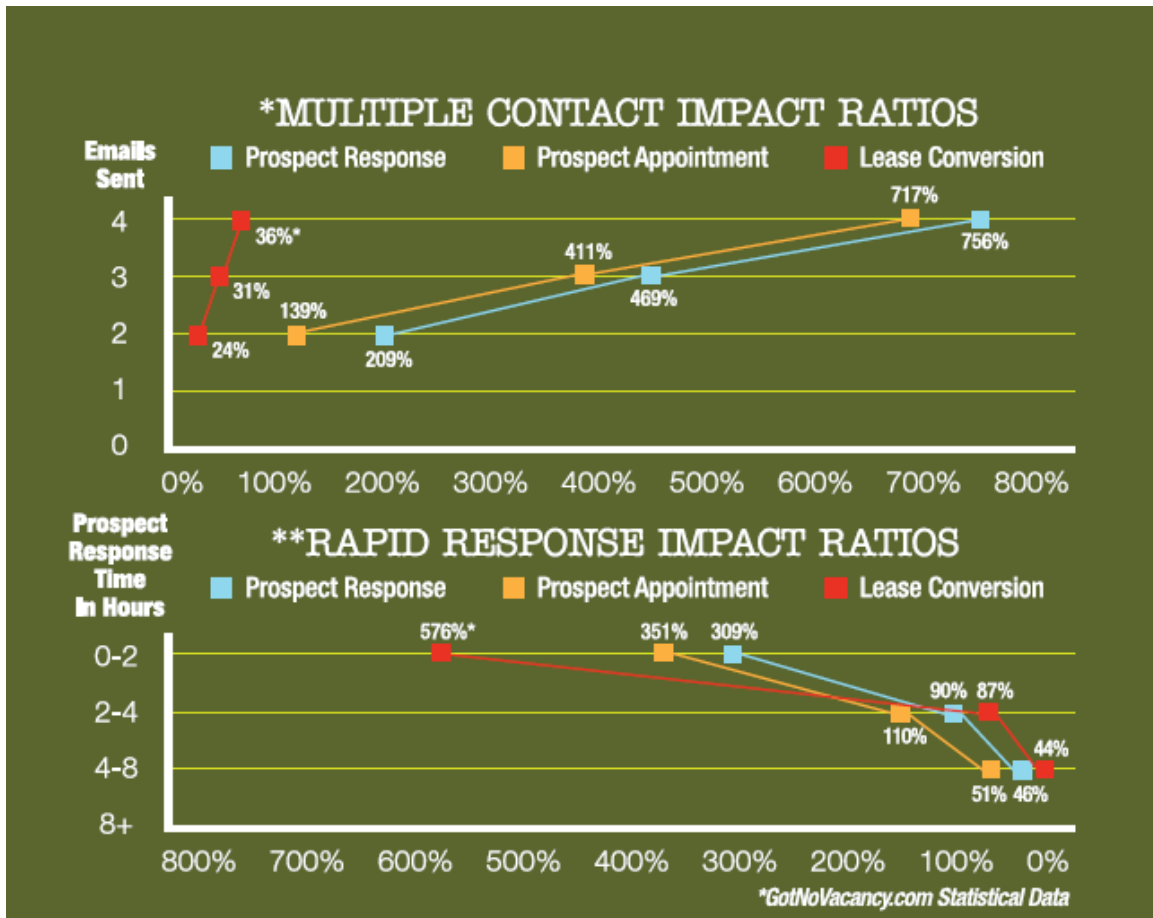
The leasing study revealed that the property website proved to be the most powerful online leasing tool when it was effectively positioned with search engine sensitivity and designed and equipped to lease apartments online. Using precise leasing activity provided, we concluded that:

- 39.7% of all leases originate from the property website
- 18.3% of all leads originate from the property website
- 16% of all property website leads are leased.

Persistence is Paramount

Contacting a lead multiple times is highly effective when leasing to an online prospect. In a statistical analysis of actual lead/leasing data randomly selected from our lead tracking users, multiple email responses to an online prospect dramatically increased lease conversion ratios up to 36% if an online prospect is emailed four times.

If a prospect is contacted within two hours after making an online inquiry, the closing advantage is increased by 576%. For further details, see the full multiple contact and rapid response impact graph below.



For the first time in leasing history, it is possible to fully account for digital and telephone leads, and to know what advertising investment produced them. Advancing Internet technology has built a digital highway that keeps precise traffic counts. It has altered the way we lease apartments and the way highly qualified prospects desire to do business. To be effective, the human interpretation of advertising and traffic counts must be electronically managed in the current technological age.

Some property management accounting applications such as MRI collect manual traffic input. Such a system is still dependent on the human factor. An annual study of manual versus actual prospect data conducted on a class A property in the Midwest reported that:

- 42.4% of online traffic was not reported in the property management software
- 79% of all traffic was not sourced.

- Similarly, a secret shopping analysis compared 10 properties managed by the same national multifamily management company. The five properties that employed electronic lead engagement performed with a 100% response rate; the five properties that used some other method responded to 20% of the same online shoppers.

ROI Impact

The general consensus of the multifamily industry's response to advanced online leasing is "we are doing better." Affirmative: the industry overall is improved from not responding to 48% of online leads in 2007, as researched by Apartments.com secret shopping survey, to responding to 43.6% based on a nationwide shopping survey in 2010.

The "sleeping giant" of discarded Internet leasing initiatives in the multifamily industry creates a marvelous advantage for a savvy, hi-tech-minded property management company. Such a company can easily reap the benefits of their competitors' delayed response to effective Internet marketing. Four such progressive companies recovered the initial costs of their web site development and online search marketing in eight days. You may review these actual case studies by contacting the author.

Here are some steps to ramp up your team for successful online leasing.

Conceptualization

The first and most vital process in initiating an effective online leasing strategy is to help your onsite team members rethink and relearn the dynamics and incredible advantages of Internet leasing. I remember reading an article about a Florida developer who refused to hire leasing agents who had any prior experience for his Class AA apartment construction lease-up. Puzzling? He only wanted to hire leasing staff members who were open to leasing on the Internet, who were not intimidated by a computer, or felt like the arrival of an online lead was an interruption in their daily routine—and he felt it was necessary to

go outside the industry to find them. I called the property nine months later to see how the lease-up advanced and not surprisingly, they were already full.

The media has great power to quickly implant stereotypes in the viewers' minds. Why not use multimedia to build a positive rather than negative imagery in the minds of your leasing staff members? There are many excellent consultants in the multifamily industry that are plugged into the new age of Internet leasing. They have developed dynamic, visionary tools and honed valuable information that will raise your staff's appreciation and expectation of online leasing. Calculate how many leases it would take to pay for a professional with a fresh view to conduct a training session for your employees. If the increased knowledge would gain 1 lease per month, the session would pay for itself the first year.

In many cases, we have discovered that lead accountability management is intimidating to some leasing staff members when they realize they have to account for every lead, that their follow-up activities will be easily and frequently reviewed by their leaders, and that every archived lead will require an explanation. Instead of seeing lead management as a method of increasing closings, some leasing agents may perceive it as a threat to their closing ratios. Reconsider the emphasis your company may be placing on closing ratios as a performance gage in lieu of accessing manageable facts that will ultimately produce successful performance. Additionally, consider creating an adjusted closing ratio target for Internet traffic as compared with live traffic.

Empowerment

Most of us would never think of sending a maintenance technician to work on an air conditioner without a set of gages and meters. Yet it is tempting to see a laptop, PDA, or "additional leasing" computer as frivolous. Responding promptly to online inquiries, employing dazzling online leasing tools, or reeling in a prospect with a web site chat feature will not be accomplished if the leasing agent has to compete for time on the manager's accounting computer. Contact a well known web and software design provider

and see what terms they will give on desktop, laptop or PAD when you become a software subscriber or republish your website.

You can own new computers along with a new website and/or software subscriptions for an agreed monthly payment.

Is your website mobile-user adaptive? Apartment Guide quickly established the demand for mobile telephone apartment marketing when they reached 230,000 iPhone downloads in nine months and landed in the top 20 free utility apps promoted by Apple iPhone. Morgan Stanley projects that mobile Internet users will surpass desktop users by 2014, do you have mobile user versions of your web site in place?

Mobile websites can be contracted for as little as \$15 per month after setup fee.

Leasing professionals need access to a lead accountability application that will bring all online advertisement responses, web site inquiries, and call measurement telephone responses into one manageable interface with a personnel assignment option. Otherwise, valuable leads will arrive in various inboxes or fax machines where they can be deleted, overlooked or lost. Be sure that you have online rental applications in place on your web site and available through prospect engagement software.

Lead management software is available from \$125 per month after setup fee.

The more interactive call-to-action opportunities present on the property web site, the more appointments and leases. Does your company have a credit card payment option available on the property website? The list of dynamic leasing tools available to online apartment shoppers will continue to develop exponentially: keep in close touch with your web technology provider for exciting developments and opportunities.

Consider work hours as a factor in budgeting your administrative activities as well as your maintenance staff. If your leasing associate is spending three hours a day posting

advertisements to free websites like Craigslist.com, they may not be performing their best on phone calls and appointments due to administrative distractions. The same is true for other administrative tasks such as market surveys. There are inexpensive applications that will make creating and publishing online ads a task that can be accomplished in a matter of minutes. There are also Internet applications available that will help collect, store and archive marketing data as well as instantly produce attractive, impressive market survey reports with a few clicks instead of a few hours. It would not take long to save hours in your budget that will pay for administrative software.

Online ad publishing software is available from \$29.99 per month after setup fee.

Market survey software is available from \$39.00 per month after setup fee.

As discussed at the beginning of this budgeting tool, the property website is the most effective source for generating leases. Take a critical look at your website and make a list of all the items you would like to add. Then review your competitors' websites and see how your website compares. Surf the Internet to study many dynamic, advanced apartment websites to see what others have done. If your website does not stand out from among the rest, contact a well known web design and software development company for an estimate. They can quote an upgrade, remodel or new website as well as adding some great Internet leasing tools to your existing website.

Depending on size and features, a high-functioning website will start at about \$3,500.

Another important factor when budgeting for Internet leasing is to be sure prospects are finding your wonderful website when they search for apartments. Search Engine Optimization aka SEO is the most important factor in leasing apartments via the Internet. You may have a brand new, well developed website, but it will not generate income if it cannot be found very easily. SEO requires strategic programming and industry knowledge. Google .com has 179,188 million users per month. It is very important to

show up on the first page in Google.com when someone searches for apartments in your geographic location.

Effective SEO maintenance will start at \$75 per month.

For more information and copies of actual case studies, contact the author. Good luck on a great year!

Add an Online Interactive Chat service for only \$25 per month after setup fee.

An online chat gives your clients instant access anywhere and provides excellent tracking information. Marketing Sherpa published a report that summarized the typical response time to a prospect that completes a website form. 6.8% were 30 minutes or less, 10.9% an hour or less, 44.1% within 24 hours, 19.6% over 24 hours and 18.6% did not follow up consistently. The report also concludes that calls placed within five minutes of a web lead had the greatest opportunity of making contact. Those odds dropped 10 times within 30 minutes and 10 times again in an hour. Waiting up to 20 hours greatly damages the possibility of connecting with, much less closing the lead.