

EMAIL RE-MARKETING

Drip Marketing Can Work

BY DONALD DAVIDOFF

Is the apartment industry missing the benefits of drip marketing?

In August 2014, response times to online leads sent to 31 apartment communities were examined to measure the response rate to prospective residents.

Three years later, following identical methodology, research shows that the industry is performing at a lower rate when it comes to follow-up through a standard marketing drip campaign aimed at prospective residents.

In this recent study, contact was made with individual communities through their company website (not through apartment marketing sites). As part of the contact, each lead requested information about a 1-bedroom, 1-bathroom apartment; if required, the leads asked for a move-in date a month from the inquiry date and specified a 12-month lease. Intentionally, a phone number for follow-up was not given so that online responses could be measured. For this report, the same set of operators were used as were in 2014, representing a wide range of players – public and private, national and regional, owner/operator and fee manager (and mixed) and with an equal distribution of geographic locations.

In this 2017 research, a phone number was provided so that phone and email responses could be measured. As in 2014, one community per operator was contacted.

In this 2017 study, the focus was:

- Initial experience creating the lead
- Follow-up
- Email drip campaign responses

Initial Experience: Creating the Lead

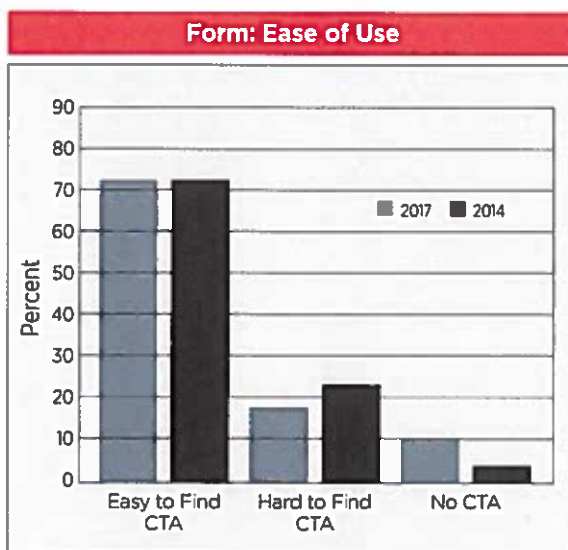
Searching a company's website and creating a lead continues generally to be an easy thing to do. In fact, there is modest improvement from 2014:

- The same number of websites make it easy to find the call to action (CTA)
- Two more websites have a CTA, although they're not easy to find
- Only one of the websites visited had no call to action, a two-thirds reduction from 2014

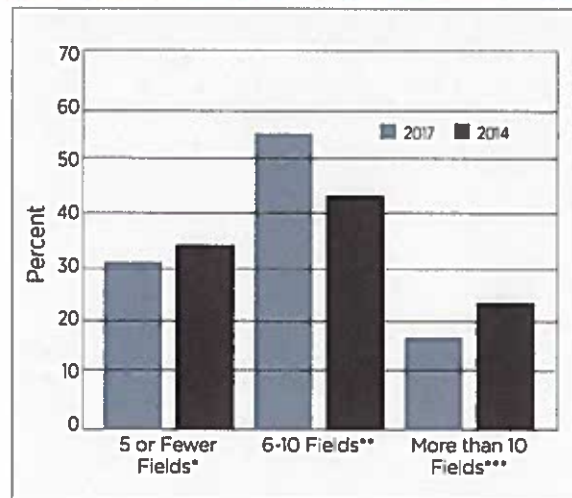
In 2014, there was a general trend toward the notion that asking prospects to fill out fewer fields is a “better practice” than requesting more fields. Requesting more information can help the salesperson and may even indicate a higher quality lead; however, that needs to be balanced against the challenge of some potentially high-quality prospects who could be high quality abandoning a form this early in their search because it’s annoying to spend more time filling it out and/or they are troubled by giving out too much information at this point.

There appears to be a slight “move to the middle” during the past three years:

- Slightly fewer sites have form fills with five or fewer fields now compared to 2014
- A substantial increase in the percentage (now more than half) of sites that require 6 to 10 fields
- Fewer have more than 10 fields



Length of Form



* Name, Email, Comments, Phone, etc.

** How did you hear about us?, Number of Bedrooms, Pets, Lease Length, Rent Amount

*** Address, Secondary Phone, Number of Occupants, Pet Type

Other interesting observations:

- In 2014, only 13 percent of the “contact us” forms asked for a contact preference (email or phone); in 2017, that number is even less at 3 percent
- In 2014, 23 percent of the sites required some form of “human” identification (i.e., a captcha or similar “enter a word” functionality); in 2017 that dropped to 13 percent
- In 2014, 3 percent of the sites had no means of creating a lead other than generating a direct email to the community; in 2017, that is up to 10 percent

Initial Responses

The most shocking result of the 2017 research was the large backsliding in response rate. In 2014, the “good news” was that 84 percent of the email leads were responded to, however that still meant 16 percent (five of the 31 leads) never received a response.

It is disappointing that the response rate wasn’t in the 95 percent to 100 percent range.

An improvement in the 2017 study was expected. Instead, 30 percent of inquiries did not receive a response; that’s nine communities that didn’t respond!

Taking a deeper look in 2014, varying responses based on time after the lead was submitted was found. Most responses came the same day, which is impressive, and a few came in later, but probably too late to be meaningful.

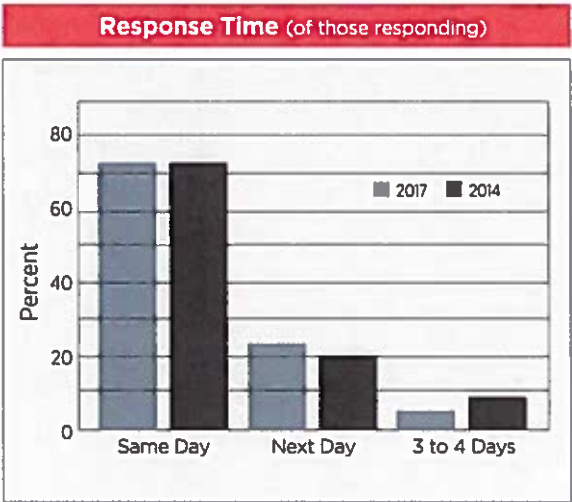
While the higher rate of no response was disappointing, the good news is that those who responded in general responded more quickly.

Drip Campaign

While quick response is important, the survey was conducted to assess any changes in the state of the industry with regard to “drip” campaigns. Wikipedia defines “drip marketing” as a communication strategy that sends, or “drips,” a pre-written set of messages to customers or prospects over time. These messages often take the form of email marketing, although other media can also be used.

Drip marketing is distinct from other database marketing in two ways:

1. The timing of the messages follow a pre-determined course
2. The messages are dripped in a series applicable to a specific



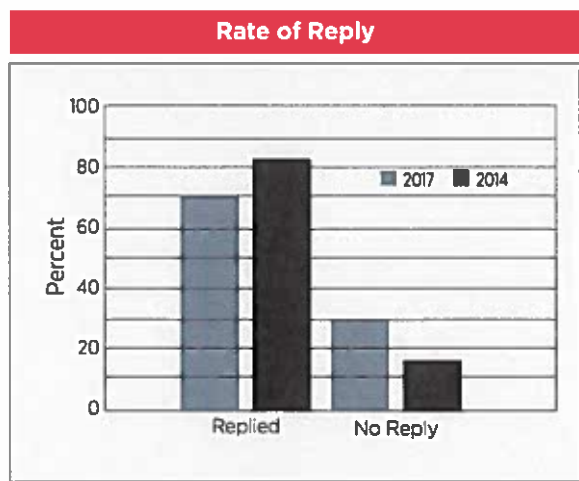
ic behavior or status of the recipient. Typically, it is automated.

In 2014, only 19 percent of the sites had any kind of automated drip campaign. In 2017, this number actually declined to 17 percent.

Phone Responses

The 2014 survey did not track phone responses. Unfortunately, phone follow up in 2017 was in many ways no better than the fax email results. Specifically:

- 23 percent of sites did not have a place to provide a phone number, optional or required
- Of those companies that asked for a phone number, only 17 percent called
 - All only placed a single follow-up call
 - All left a voicemail
 - 75 percent called on the same day (meaning one-quarter did not call same day)



Conclusion/Recommendations

Three years ago, our study concluded that the apartment industry was missing out on a significant marketing opportunity evidenced by the dearth of high-quality email re-marketing drip campaigns.

but other than the up-front time and cost of developing a good drip campaign, the incremental costs are insignificant.

This research started with the hypothesis that we would see improvement from those numbers. The sad fact is: Not only was there no significant improvement, there was actually backsliding on the two most impactful metrics: response rate and number of drip campaigns.

Phone follow up in 2017 also was found to be well below what any reasonable person would consider a best practice.

Our 2017 recommendations echo many of those from 2014:

- There's no excuse for missing basic "blocking and tackling" including easy-to-find CTAs, error-free pages, emails that allow for response (as opposed to the "donotreply@... type) and content relevant to this early stage of a prospect's search. Multiple identical (or nearly identical) emails as responses to inquiries are equally inexcusable
- Apartment marketers are largely missing the opportunity to work leads through purposeful, well-crafted email drip campaigns. This is a fundamental basic tactic in related industries such as hospitality and travel, therefore this study's findings border on incredulous that more apartment marketers are not implementing this tactic.
- The highest quality (i.e., most engaging) responses were clearly, edited templates and/or free-form messages sent from a leasing associate or manager onsite with contact information and a name at the bottom of the message. The worst responses were clearly computer generated, did not have any personal connection to the person requesting the information and reflected the internal processes of the organization, e.g., a price quote sheet that was far less than customer-focused.
- Pictures, links and other important content such as phone numbers, office hours, maps, etc. all improve the prospect experience
- Along with automated drip campaigns and other email follow up, apartment operators should insist on same-day

call follow up and at least three attempts to contact by leaving messages. If there is no call back, operators should also attempt at least one personalized email in addition to the call attempts

- Anything that adds to a "1:1 marketing feeling" (e.g., including names, referencing the unit type or move-in date requested, etc.) are likely to resonate more than just generic content
- Fewer required (and optional) fields in CTAs to maximize the likelihood of getting the lead are favored. It's early in the selling process, so there's plenty of time further down the sales funnel to capture more information
- While personal contact is obviously the most engaging, relying on site initiative causes significant challenges with the reliability and quality of the response. Automated responses can be made more personal. Where operators want the benefit of having their leasing associates personally respond, it is imperative both to have systems in place to ensure they do follow up (with a professional message) and to develop the sales ecosystem to ensure they communicate effectively.

In conclusion, it is obvious to us that the vast majority of marketers in this space continue to avoid taking the time to experience their LeadGen activities from the prospect's perspective or, worse, aren't even thinking systematically about how their LeadGen activities look and feel from a prospect's perspective.

If marketers who read this report do nothing else, they should generate leads from their own sources (their website, ILs, etc.) and then experience what happens exactly the way their prospects do.

Donald Davidoff has been a senior executive in the multifamily housing industry working in both market rate housing and senior independent living. Perhaps best known for leading the development and implementation of the Lease Rent Options™ (LRO) pricing software, his real mission for the past 15+ years has been to bring data analysis and data-driven decision making to all aspects of apartment operations.