# 2020 HOME BUILDER **FOLLOW-UP SURVEY**

What We Learned Before and During COVID-19



#### **ABOUT THIS REPORT**

Since 2012, Do You Convert has conducted the new home industry's most trusted annual survey to learn how home builders respond to online leads. We're interested in how quickly and frequently builders are following up, and which methods they use. We publish the results and share them with the industry so that builders can identify areas for improvement and implement the people, processes and tools to make it happen. This year, the survey was powered and verified by Clear Evaluations.

The first survey in this report was completed before the COVID-19 pandemic. Results reflect response rates and methods before any federal or state stay-at-home mandates were enacted. Throughout this document, we will refer to this period as Before COVID-19, or BC. We initiated a second survey on April 3, 2020 to gather information about how home builders were responding to online leads during the pandemic. Those results are summarized at the end of this report. We will refer to this period as During COVID-19, or DC.



#### **ABOUT DO YOU CONVERT**

Since 2009, Do You Convert has partnered with home builders to create or improve online sales and digital marketing programs from top to bottom. We develop and train your internal team members while boosting results immediately. With over five decades of home building experience on the team, Do You Convert knows what will drive industry-leading results, and what to avoid.

#### **ABOUT CLEAR EVALUATIONS**

Clear Evaluations provides customer experience management and mystery shopping solutions that are a vital tool in building better operations for your company. Our experienced evaluators and sophisticated reporting system will deliver the actionable feedback necessary to make critical, successful business decisions.



#### **METHODOLOGY**

In partnership with Clear Evaluations, we surveyed a random sampling of 100 home builders from the 2019 Builder 100 and Next 100 lists, as designated by *Builder* magazine. For each builder, we identified a specific community on their website and either filled out the interest form or submitted an email requesting information. In the submission we included:

- Shopper name
- Email address
- Phone number
- Timeline for move
- Explicit permission to text

We then tracked follow-up results for 45 days.





#### **SECTION 1: OVERALL RESPONSE FROM BUILDERS** (BEFORE COVID-19)

Even with proper website set-up and lead capture forms, home builders continued to be unresponsive to online inquiries at surprising rates. For email and call responses, results were worse than they were a year prior. Text responses were slightly better.



# 70% **Phone Calls**

Even when a phone number was provided, 70% of builders did not call a person who filled out an online inquiry for a specific community.



# 38% **Email**

Even with the ability to utilize CRM systems and automated processes, 38% of builders did not return an online lead's email inquiry. Note that we do not include marketing emails, but included automated emails if they were personalized in our follow-up results.

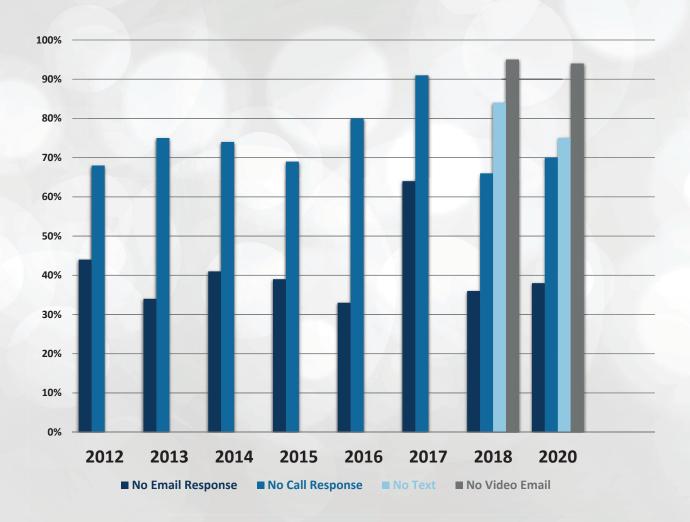


75% **Text** 

Even with the line "feel free to text me" in the online submission, 75% of builders did not text an online lead.

#### YEAR-OVER-YEAR (BEFORE COVID-19)

Year-over-year, not much has changed in terms of online lead follow-up. Even with so much technology at our fingertips, most builders still are not following up with prospects in ways and at the frequency that modern consumers expect.



#### **SECTION 2: AVERAGE RESPONSE TIME** (BEFORE COVID-19)

The Do You Convert recommended response time for maximum lead engagement is no more than 5 minutes during business hours. Currently, home builders are sending first emails and call responses in days, not minutes.

#### **Response Time - Overall Average**

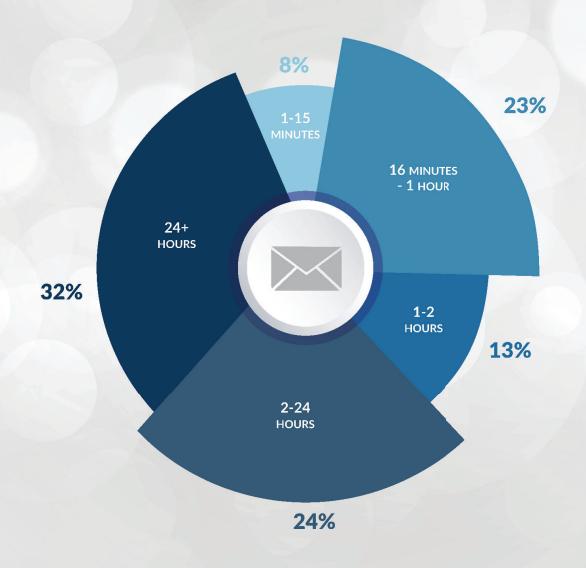






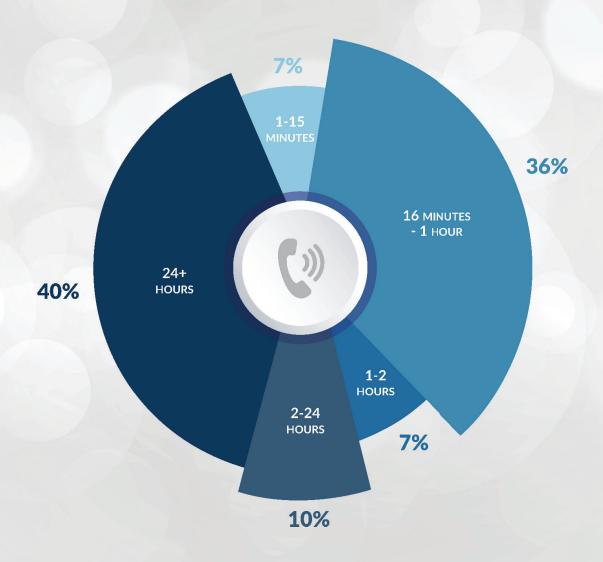
# **Response Time - Email**

Of the 62% of builders who replied via email, most took more than 1 day to respond.



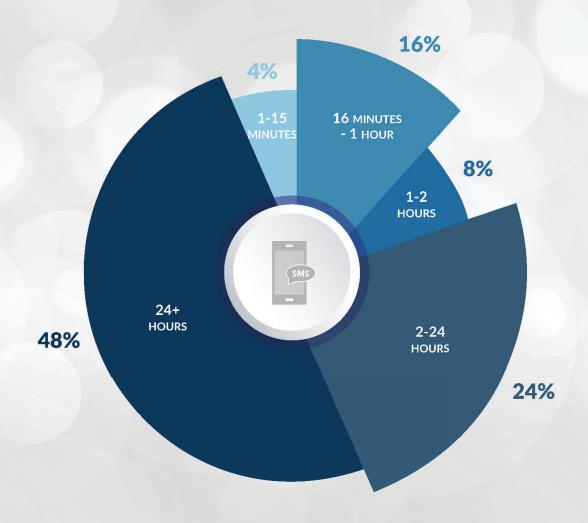
# **Response Time - Phone**

Of the 30% of builders who called an online lead, most took more than 1 day to respond.



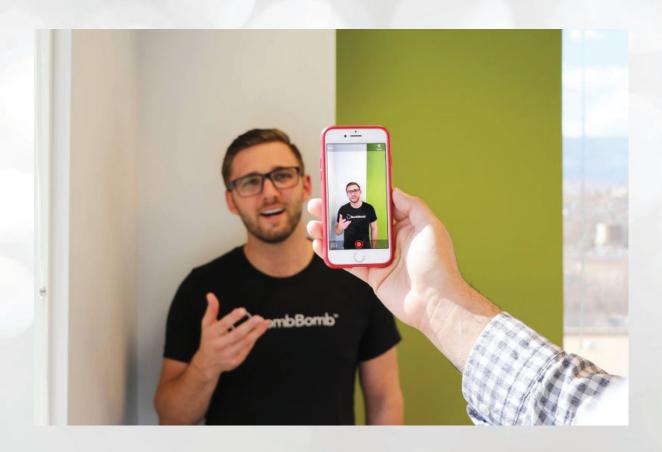
# **Response Time - Text**

Of the 25% of builders who texted an online lead, almost half took more than 1 day to respond.



#### **SECTION 3: VIDEO EMAIL** (BEFORE COVID-19)

Video email in home builder follow-up is gaining traction year-over-year. Video email is defined as a personal video sent on a 1-to-1 basis to an online lead. However, it is still one of the most underutilized communication methods out there. Video emails have been shown to enhance the customer experience, create a stronger connection to the company and Online Sales Specialist, and increase engagement and responses.



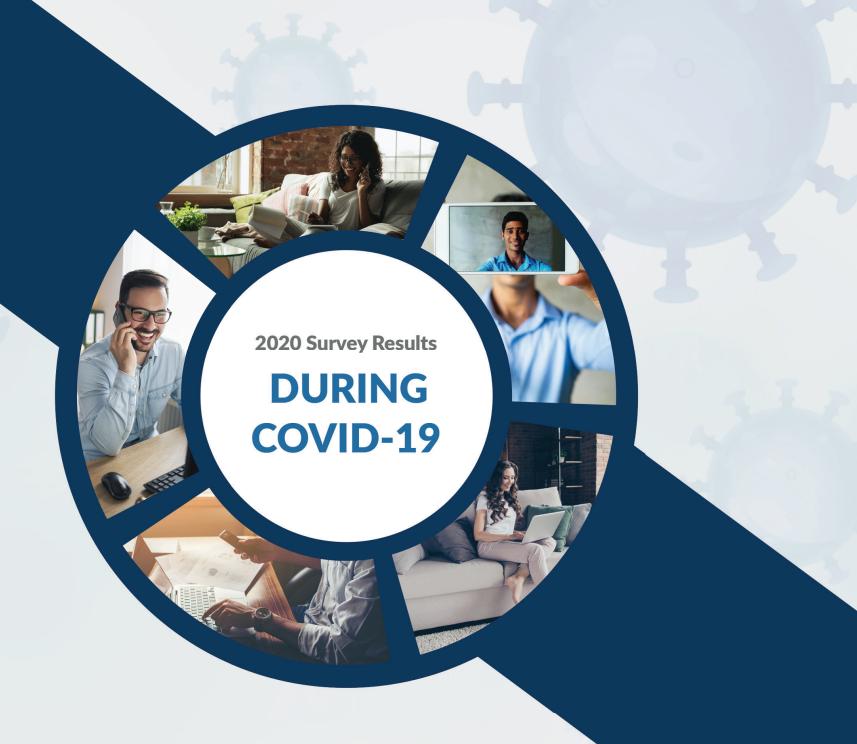
2018 5% of builders used video email

2020 6% of builders used video email

#### **SECTION 4: FOLLOW-UP PROCESS** (BEFORE COVID-19)

It takes a minimum of 5-7 touch points for an online lead to respond. Of the builders that did respond to online leads, only a third followed up 6+ times. To be in the top 5% of U.S. builders who follow up with their leads, all that's required is to send more than 2 emails, make more than 1 phone call, and send a text.





#### **ABOUT THE COVID-19 SURVEY** (DURING COVID-19)

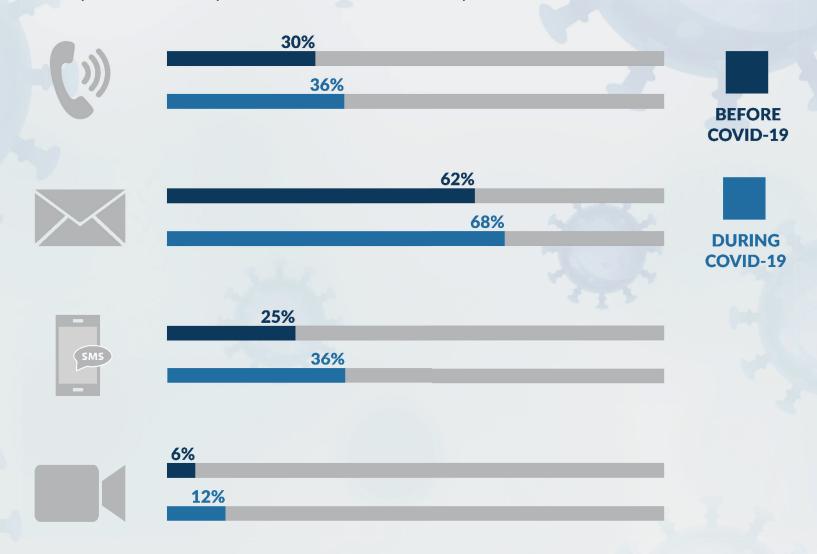
We thought COVID-19 would change the game. Our hypothesis was that because more consumers would be reaching out digitally and leads would be scarce, we would see a drastic improvement in the amount and speed of home builder response. As you will find below, we saw a slight improvement, but not dramatic. This has been a significant missed opportunity for builders, since web traffic and lead volume had actually increased year-over-year during this period.

For the During COVID-19 shop, we surveyed a random sampling of 25 home builders from Builder's 100 and Next 100 lists, beginning on April 5, 2020. Clear Evaluations performed the shop using the same methodology described in the above survey. We tracked follow-up results for 30 days.



# **SECTION 1: OVERALL RESPONSE FROM BUILDERS** (DURING COVID-19)

We assumed that the focus of builders to maximize the lead management of fewer interested customers would lead to better results in the response and follow-up. As outlined below, we did see improvement but not that much.



#### **SECTION 2: RESPONSE TIME (DURING COVID-19)**

Fast response (5 minutes or less) is proven to increase engagement and is the #1 conversion factor from online lead to appointment. While response time saw the biggest improvement of all the following categories, it still fell short of the modern consumer's expectations for fast, personal communication.

#### **Response Time - Overall**







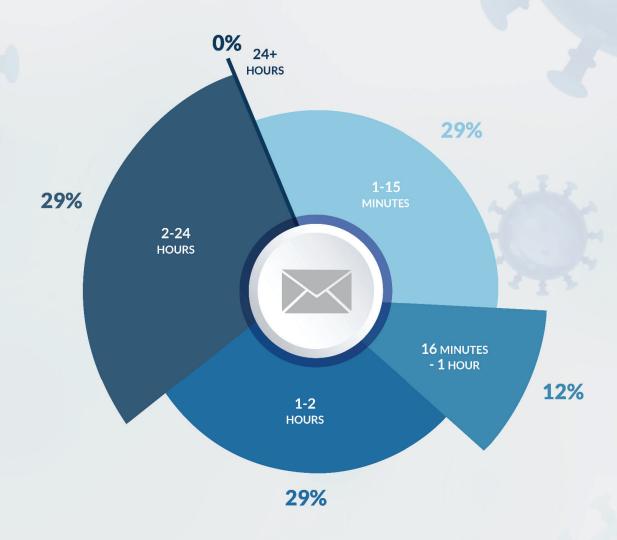
1st Email - 10 Hours



**1st Text - 1.9 Days** 

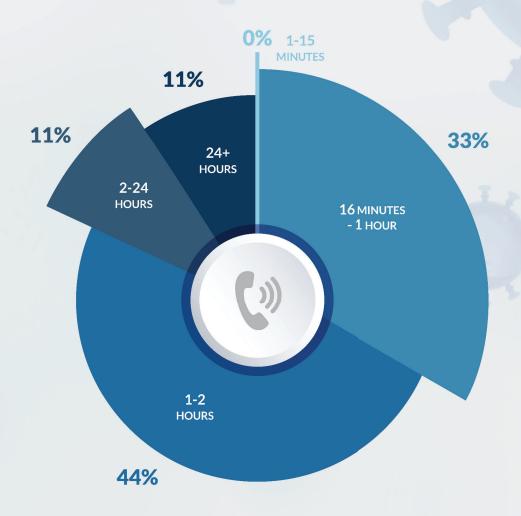
# **Response Time - Email**

Of the 68% of builders who did email a lead back, NONE took more than 1 day to respond.



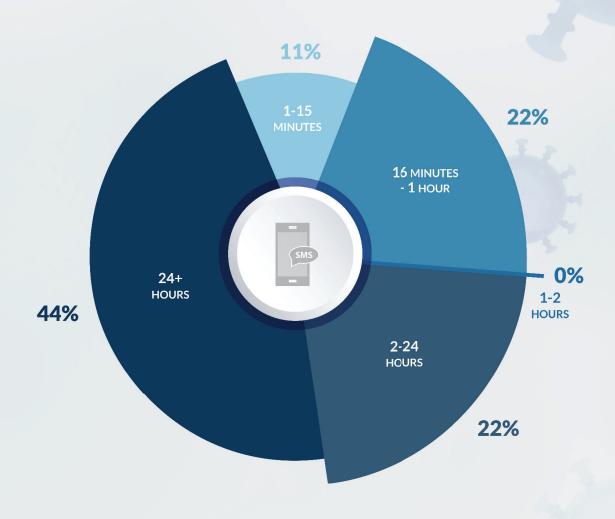
# **Response Time - Phone**

Of the **36% of builders** who called an online lead, most called within 1-2 hours.



# **Response Time - Text**

Of the 36% of builders who texted an online lead, almost half took more than 1 day to respond.



#### **SECTION 3: VIDEO EMAIL (DURING COVID-19)**

Everyone was excited about how much their sales teams were leveraging video to communicate and how this was crucial for virtual selling. We did see video email usage increase but only to 12%.



**Before COVID-19** 6% of builders used video email

**During COVID-19** 12% of builders used video email

# **SECTION 4: FOLLOW-UP PROCESS** (DURING COVID-19)

We saw a slight improvement in the frequency of follow-up but the number of contact attempts and variety were still low.

36% **OF TOTAL BUILDERS** 3+ activities







16% **OF TOTAL BUILDERS** 6+ activities













24% **OF TOTAL BUILDERS** 2+ emails, 1+ call





8% **OF TOTAL BUILDERS** 

2+ emails, 1+ call, 1+ text









#### **HIGHLIGHTS**



# Fewer builders were responding to online inquiries than the previous year.

As market conditions improved over the last year, fewer builders called or emailed online leads. However, more builders texted an online lead in 2020 than in any other year.



#### Builders were taking longer than ever to respond.

With more walk-in traffic and in-office activities (contracts, inspections, etc.), it took longer than ever for builders to respond to online leads. Rather than minutes or hours, it took days for a builder to send a first email, call or text message.



#### Builders that did respond had longer and more robust follow-up processes.

Though the pool of responsive builders was smaller, those who did respond included more follow-up activities in their sales process, and used a mix of activity types: calls, emails, texts and video emails.



#### Builders were still able to gain market share just by responding first and fast.

At the beginning of 2020, before COVID-19, there was still tremendous opportunity for builders to capture more market share just by responding fast and first.

# **Good and Bad News:**

Bad News - The majority of builders are not meeting consumer expectations in regards to lead response and follow-up. Good News - The majority of builders are not meeting consumer expectations in regards to lead response and follow-up.

# **Pandemics Don't Change Much:**

One would assume that a global pandemic and shift to virtual would sharpen the focus and builders would snap to attention. Unfortunately, we only saw a slight improvement. This is a bit concerning and leads us to our next takeaway...

# **Get Your House in Order:**

Our only hypothesis is that leads aren't making it to the right person in a timely fashion or at all. Marketing, Sales and IT all need to get on the same page and make sure the leads are flowing into the CRM and that the right person is managing those leads.

# **Money Wasted:**

More leads poorly managed does not equal more sales. A good market covers up deficiencies. We are seeing cracks in the system and the last thing you want to do is spend your marketing budget creating leads that aren't managed appropriately.

# **HUGE Opportunity:**

Do you want to survive the next 9 months? Here is the formula: Speed+Process+Persistence. Combine that with the right messaging at the right time and you win!

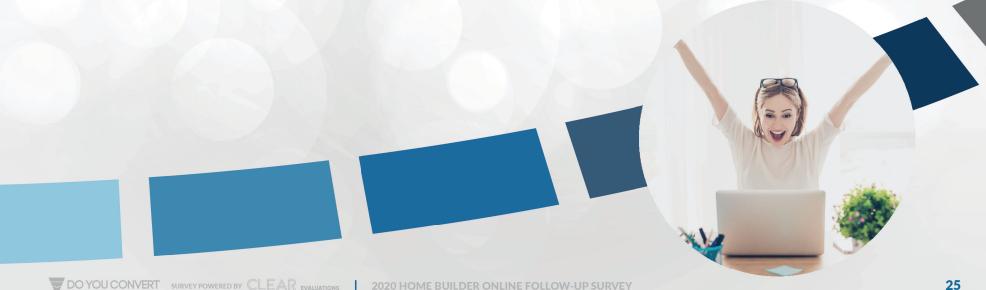
#### **OPPORTUNITIES FOR BUILDERS IN 2020 AND BEYOND**

If builders do not have the people, processes and products to respond personally to each and every lead, they are missing a significant opportunity to convert leads to appointments and sales.

#### Audit the three Ps to ensure your online sales program is running optimally.

- 1) PEOPLE: Do you have one or more dedicated Online Sales Specialists, whose only job is to convert online leads to appointments for the sales team?
- 2) PROCESSES: Do you have automated sales processes set up to organize and nurture online sales leads according to their source, interests and engagement level?
- 3) **PRODUCTS:** Are all of your tools working properly and all systems integrated?

Remember: if you are not following up with your leads, your competition is - and winning more market share in the process.



#### **GET IN TOUCH**



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#### INTERESTED IN HOW YOUR SALES TEAM RESPONDS TO ONLINE LEADS?

Our comprehensive secret shop will show you the customer journey from the customer's perspective. We have field tested this online shop with hundreds of Online Sales Specialists over the past 10 years. What was previously only available to Do You Convert clients is now offered to the public. We have partnered with Clear Evaluations to develop the industry standard in secret shops for Online Sales Specialists. Learn More at now.doyouconvert.com/secret-shop