

2021 ONLINE HOMEBUYER MYSTERY SHOP REPORT

*HAS FOLLOW UP IMPROVED
FROM LAST YEAR?*

Last year, the COVID-19 pandemic threw a wrench into the new home builder industry. As this occurred, Melinda Brody & Company, Blue Gypsy Inc. and Denim Marketing embarked on a discovery to learn how builders were making efforts to communicate with their prospects.

2020 saw trends across the country for the building industry that were out of the ordinary to say the least. Website traffic increased, and in many cases, builders went to appointment-only onsite. Supply chain issues elongated many estimated build times. Builders developed lengthy interest lists, throttled sales, saw bidding wars over available inventory and even turned to lottery systems. To say we've seen a total upheaval is an understatement.

This year, we shopped 50 national, regional and local home builders across the country for the second time. With almost 30 builders from Builder's Top 200 list and other builders chosen at random throughout the country, this diverse sampling and the results that follow offer insight into how builders are connecting with their prospects. And in some cases, how they are failing to do so.

At the end of the day, we need to keep buyers engaged, provide transparency, increase confidence and create expectations as we communicate with prospects from the onset – and that typically starts with our websites.

How well did our random sampling of builders do? Let's dive in!

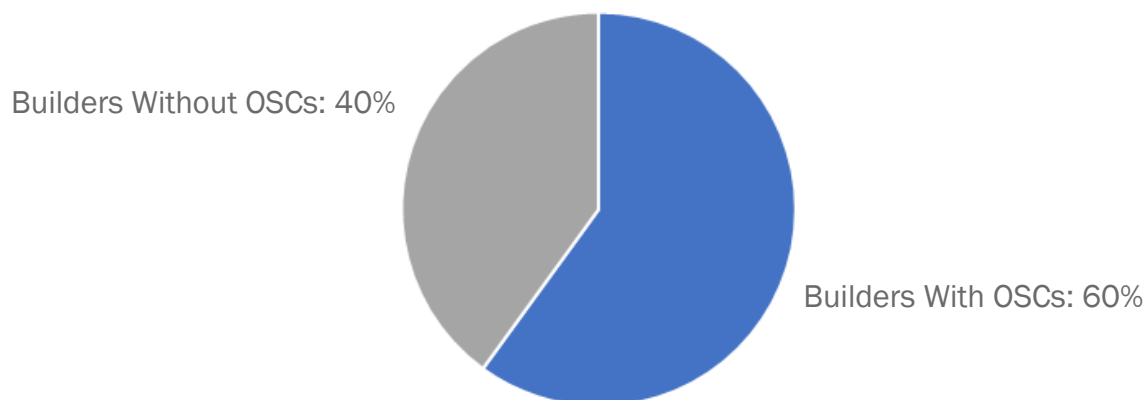
The Mystery Shop Process

Mystery shoppers visited individual builder websites during normal business hours (Monday through Friday, 9 a.m. – 5 p.m., local time), completed a contact form with their name, phone number and email address, and included a relevant question about the builder or community in the comments section. Responses were tracked for 30 days, and the resulting data compiled and examined for three distinct groups – all builders, builders with Online Sales Counselors (OSCs) and those without.



Home Builder Use of Online Sales Counselors

COVID accelerated the need for Online Sales Counselors over the past 18 months. While many builders already understood the importance of this vital role between marketing and sales, more and more builders scrambled to address this hole in their lead development process.



Of the 50 builders shopped, those with OSCs make up 60% of the sampling, up 2% from last year. Still, 40% of builders don't appear to have a dedicated online sales professional. It is surprising that there was only a 2% increase in OSCs.

How Do We Know if a Builder Has An OSC?

The determination of whether a builder had an OSC was made by looking to see if there was an obvious presence on the website and by examining the email signature on any email follow up. An online presence was indicated by someone with a photo and observable existence on that website with pictures, videos and titles before an inquiry was even submitted. Some builders who initially did not appear to have an OSC, actually did according to the signature lines and personalities of some of the emails. Of the builders who have OSCs, only 50% of them had an actual presence on the website, while the other 50% were uncovered during the follow-up process. As the data is revealed, there are comparisons between builders with and without OSCs.

Takeaway Point: If you are going to provide an OSC to help guide new home buyers, give them a presence and identity on your website to encourage people to utilize their expertise.

Is Follow Up Just a Fantasy?

In the past 18 months, most builders experienced far more prospects desiring new homes than they had the capacity to build. It's been an embarrassment of riches when it comes to homebuyers.

Does this mean follow-up is no longer important?

If history has taught us anything, this won't last forever. The last thing we should do is become lazy when handling leads. It's easy to say that if someone doesn't reply, they simply aren't interested. But just as the builder world became busy, so did life for many homebuyers. We **MUST** always remember that even if someone doesn't respond the first time to an inquiry, it doesn't mean they won't ever respond or that they aren't interested. It means they are busy at that moment, and we need to keep trying.

We also need to meet buyers where they are and in ways they want to communicate. Even if they fill out a lead form online, email may not be the ideal avenue of communication for every buyer.

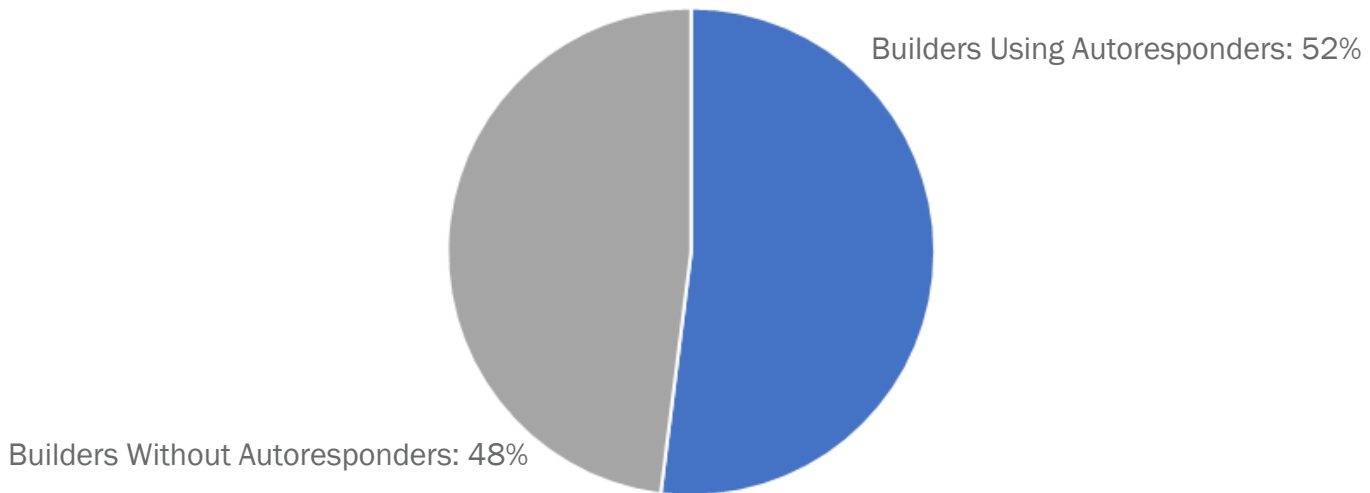
Speed, frequency, diversity of touchpoints and personalization still matter.

Speed - What Does that Look Like in the Age of COVID?

While all home builders should strive to respond in five minutes or less, current circumstances make this goal less feasible. Some builders now receive an incredibly high volume of calls as people throw elbows in an attempt to purchase their next home. In these situations, it's often nearly impossible for builders to respond within that timeframe.

Speed and Autoresponders – Do They Count?

When we assess the speed of email response time, we look for a response to the mystery shopper's community or builder-related question submitted with the online form to determine whether this is an autoresponder. In these busy times, an autoresponder buys some time or at least informs a prospective buyer that someone will be in touch with them shortly (hopefully). And there is no rule that says an autoresponder can't sound warm and personal.

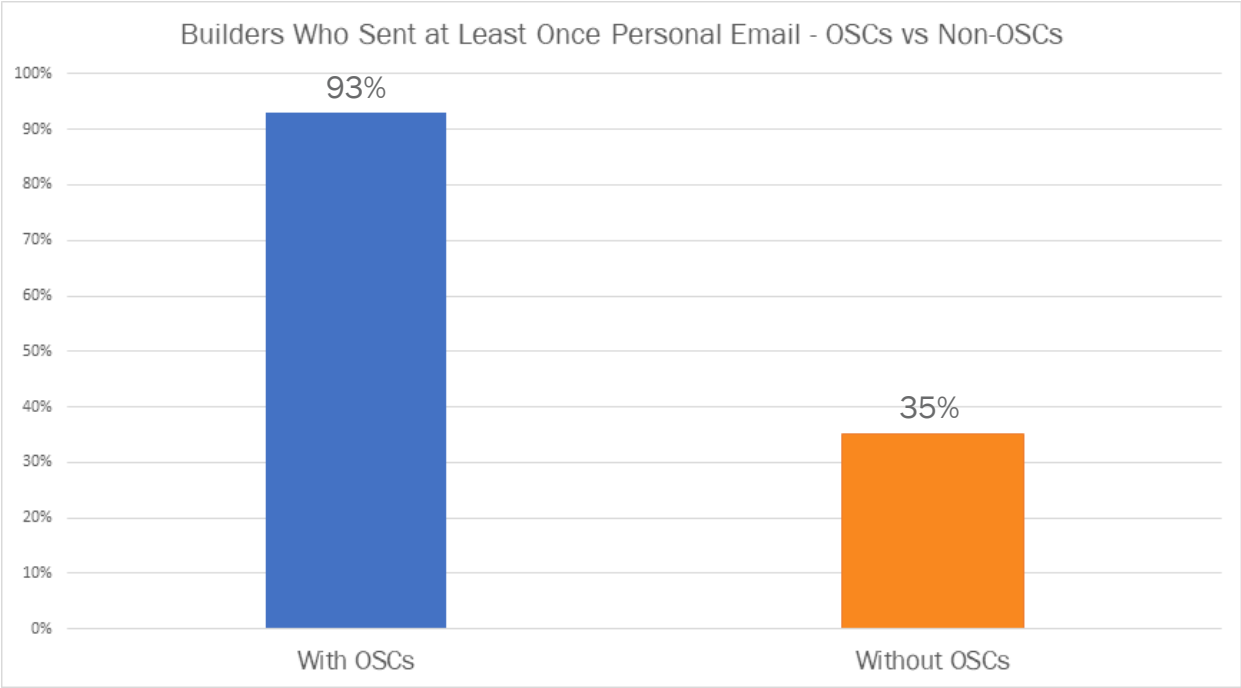
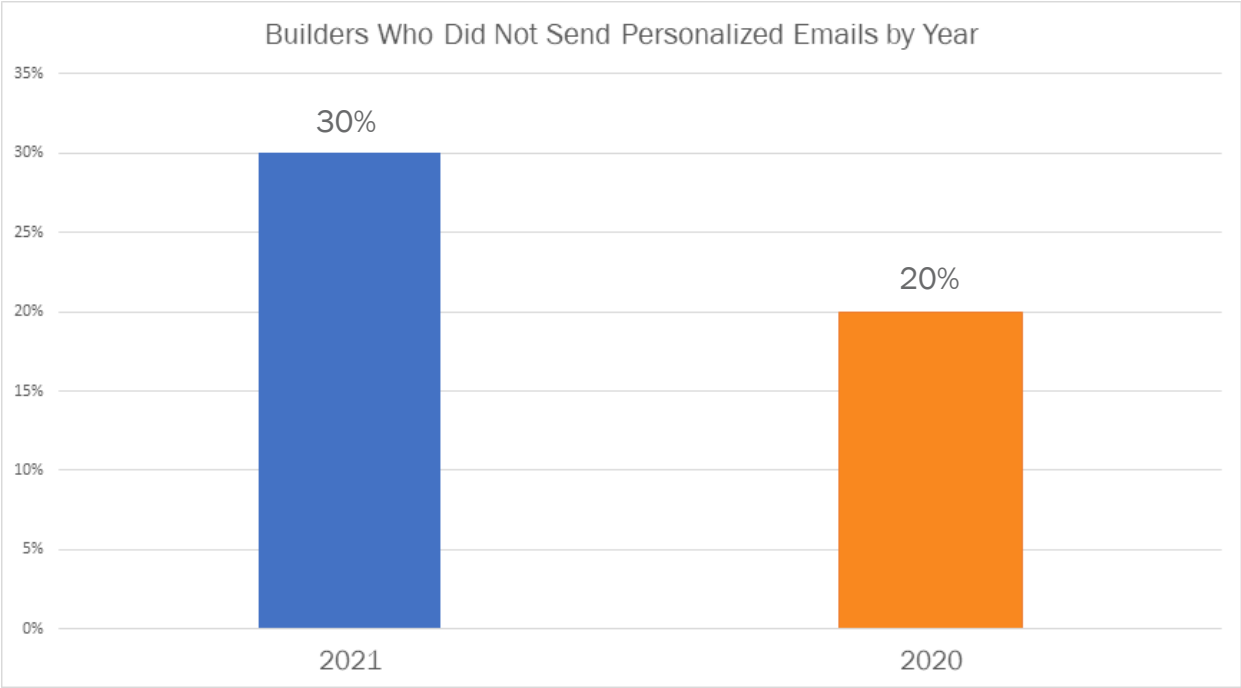


When we looked at the use of autoresponders, this is what we found:

- 52% of all builders shopped had autoresponders
- 60% of builders with OSCs had autoresponders
- 40% of builders without OSCs had autoresponders
- 23% of builders with an autoresponder never attempted any personalized follow-up.
- One OSC with an autoresponder never attempted personalized follow-up
- Five builders without OSCs using autoresponders never attempted any personal follow-up

Personalized Emails Vs. Marketing Emails

While it’s important to distribute marketing efforts to your database regularly, personalized emails are much more likely to elicit a response. A message can simultaneously sound personalized and yet be automated. With the increased volume of leads for many builders over the past 18 months, it’s important to consider how you deliver content and messaging to prospective homebuyers.



During our most recent mystery shop we found:

- 52% of builders didn't send marketing emails
 - In 2020, only 20% didn't send marketing emails
- 70% of builders responded with at least one personal email
 - In 2020, 80% of builders responded with at least one personal email
- 7% of builders with OSCs never sent a single email
 - In 2020, 3% of builders with OSCs never sent a single email
- 35% of builders without OSCs responded with at least one personal email
 - In 2020, 57% of builders without OSCs responded with a personal email
- 65% of builders without OSCs never sent a single email
 - In 2020, only 43% of builders without OSCs never sent a personal email

In a 30-day period, 36% of all builders surveyed sent one to three marketing emails, while 12% sent four to six marketing emails.

This year, no one sent more than six marketing emails in a 30-day period, as compared to 17 in 2020.

These numbers indicate that builders are not keeping up with follow-up methods. And they're even less likely to perform follow-up when they don't have OSCs in place.

Takeaway Point: Having an Online Sales Program drastically increases the likelihood of successful email follow-up

Best Practice on Personalized Emails

In the world of online sales and email marketing, there is an important differentiation between sending an email as part of a long-term follow up plan and sending a mass email. Call it a plan, a process, a workflow or a campaign, whatever you call it, there is a set follow up plan in place that allows the person tending the lead to send out different touchpoints.

Every customer in the world knows when you are sending them a marketing message versus something that is intended to directly address their needs, wants and desires.

It is important to understand if someone takes time to submit their information via a website form, it is imperative to treat that person like a human. If they've asked a question, the answer should be included in the follow up. If they have not asked a question but have submitted information, there should still be a delineation between a personalized response and marketing emails or a drip campaign.

Marketing emails are typically more of a generic or general approach presenting features, benefits and amazing attributes of a community, a builder or a floor plan with attractive photography.

Personalized follow up is designed to be more about the buyer and what they are looking for, what they are inspired by and how one can assist in helping them with any discovery they are doing about the builder, the area or the building process. These usually have fewer pictures and do not consist of colorful templates, jazzy fonts and over-the-top photos.

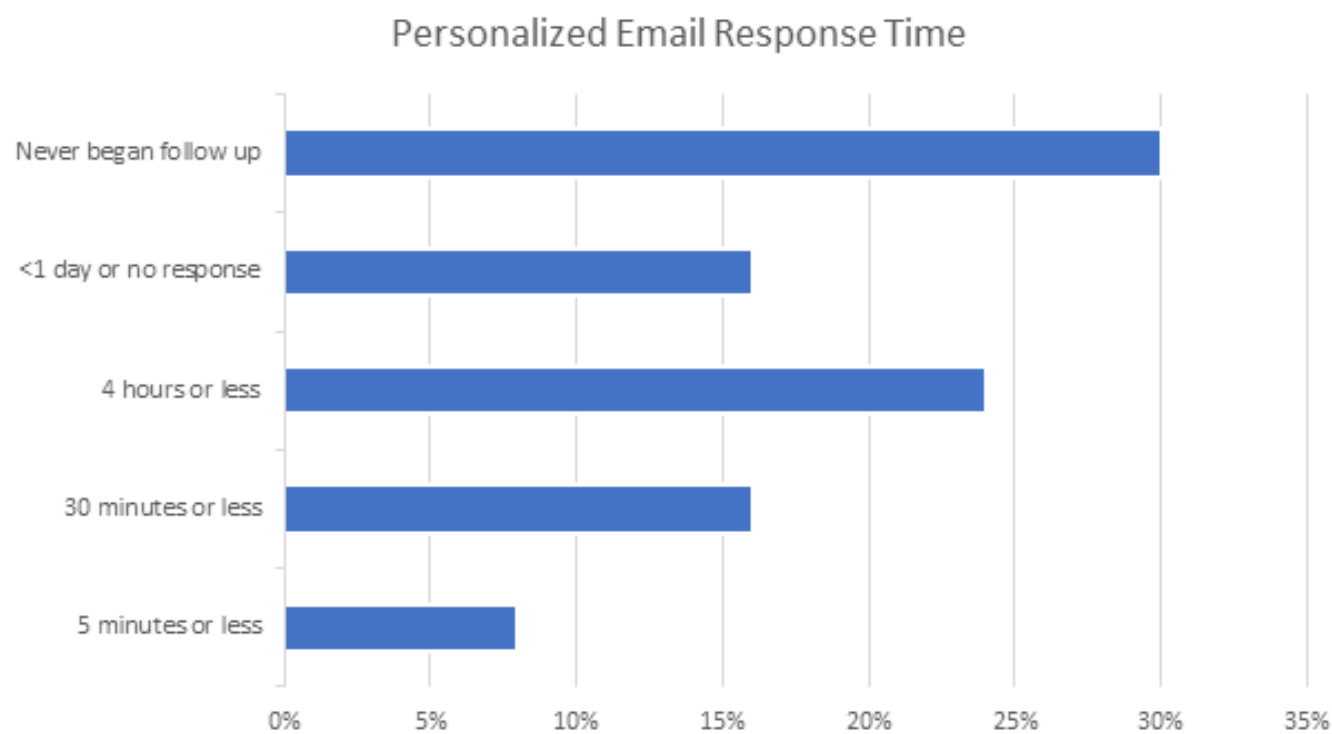
Both types of emails can be sent to individuals who express interest, but they are going to be unappreciated if they are not applicable to your homebuyer's particular search and interest.



Are We Overwhelmed with Leads?

26% of builders surveyed NEVER utilized any channel for personal follow-up. It's disheartening to see this number increased 6% from last year's survey in terms of lack of follow-up. No surprise, OSCs are now relying on email to follow-up instead of taking the time to make phone calls. Are we overwhelmed? What's happening with communication to our potential homebuyers?

- 93% of OSCs used email as their only means of personal follow up
- 60% of OSCs never personally responded by phone
- 60% of builders without OSCs never personally responded by phone or email



100% of the responses that occurred in 5 minutes or less were from OSCs.

75% of the responses that happened between 6 and 30 minutes were from OSCs.

100% of the responses that occurred between 31 minutes and 4 hours were from OSCs.

Within the first 24 hours, 76% of OSCs shopped responded by email, compared to 20% of builders without OSCs.

It took one OSC over eight days to send the first personalized email, while two never attempted an email at all.

It took one builder without an OSC 21 days to send a personalized email, while 13 of them never did.

Phone Response Times

- 68% of all builders never picked up the phone once
 - 60% of OSCs never followed up by phone
 - 80% of non-OSCs never followed up by phone
- ZERO calls were made in under 30 minutes
- 17% of OSCs picked up the phone between 31 minutes to 4 hours
- 5% of builders without OSCs picked up the phone between 31 minutes to 4 hours
- 8% of builders took more than a day to respond by phone

While many builders have more buyers than houses, a lack of response and customer engagement can be truly detrimental. This lack of engagement often causes distrust and decreased purchases by potential buyers, not to mention frustration and the possibility of bad reviews.

The longest wait for an
initial email from an OSC
was nearly 8 days!!



The longest wait for an
initial phone call from an OSC
was 26 days!!



Best Practice for Personal Follow Up

As discussed previously, the goal is to respond to an initial online inquiry within 5 minutes or less, preferably by phone. The longer a lead languishes without a response, the less likely it will convert into an appointment or a sale. This speed can be addressed with fast fingers, dialing for dollars or getting that personalized response into your potential homebuyer's inbox.

Frequency and Diversity of Touchpoints

While it's important to follow up promptly, we also know that people are busy, and they may not respond the first time you reach out to them. So, it's important to have follow-up processes prepared. Today, with the availability of strong CRM (Customer Relationship Management) tools, there's no excuse not to have a personalized follow-up plan. This doesn't mean it can't be automated, but there is a difference between monotonous marketing emails and emails from a friendly person who is there to help buyers with their home search.

When someone submits an inquiry on your website, they are showing interest by asking for information. But they are likely looking at your competitor's websites as well. If you don't respond quickly they are much more likely to go with your competitor.

Sometimes the delivery of information needs to come from mixed sources to catch the attention of that would-be buyer. Not everyone is responsive to emails, but they might open a video. Not everyone answers the phone, but they might reply to a text message. It's important to meet the buyers where they are.

Although our sales process has been upended, that doesn't justify ignoring potential buyers who are asking about your homes. Word-of-mouth is powerful, and if people are frustrated because they can't get a response, then they will let the world know.

Don't mistakenly assume that if they don't answer the first time, they aren't interested. Several issues can arise that make customers think YOU didn't care. Do your best to be the proactive person in this relationship, as opposed to being reactive.

- 30% of builders never followed up by email.
- 68% of builders never followed up by phone.

Of those that responded with personalized emails:

- 18% of builders who responded never sent more than 1 email
 - 17% of OSCs never sent more than 1 email
 - 20% of builders without OSCs never sent more than 1 email
- 24% of builders sent 3 personal emails
 - 83% were OSCs
 - 17% were builders without OSCs
- 22% of builders sent 5 personal emails
 - 100% of those were OSCs

Of those that did respond by phone:

- 16% of builders who made initial calls never attempted another
 - 12% of builders made 2 phone calls and all of those were made by OSCs
 - 4% of builders made 3 or more calls and all of those were made by OSCs

10% of builders sent video emails – 100% of those were OSCs

14% of builders sent text messages – 100% of those were OSCs

While builders without OSCs seem less likely to engage frequently – if at all – or to utilize multiple channels for communications, it's disappointing to see OSCs that are not fulfilling their maximum potential.

Best Practice for Touchpoints

As mentioned above, everywhere you turn you will hear the statistic that it takes eight to 12 touchpoints to create a viable lead. It is never enough to send a single email or make a single phone call and be done with the attempts to contact a prospect. These are not cold leads. They are people who have taken the time to give you personal information via your website. Even with third-party leads, it's not smart to reduce the number of attempts to make contact.

Of course, there is a balance to the frequency of how many times to make contact. Frequency of contact can seem less annoying when spread out across a variety of tactics. Imagine your little sister or brother sitting next you at the ice cream shop pulling on your sweatshirt over and over again saying "I have a question, I have a question, I have a question..." and it goes on and on. You'd lose your patience quickly, right? Think of follow up as that fine art of not being a nooge. No, that's not a spelling error; look it up in the Yiddish dictionary.

According to 2020 marketing statistics compiled by SNOVio Labs, an initial email receives a click-through-rate increase of 96% if it includes a video, and 54% of email subscribers prefer emails with videos. Furthermore, using the word "video" increases the open rate by 19% and the click-through-rate by 65%, while cutting down the number of unsubscribes by 26%.

In the world of follow up for builders, it's always a smart idea to include diversity in your touchpoints. This means personal emails, phone calls, videos and even text messages can be utilized to entice your prospects to respond.

Chat is NEVER a Replacement for Follow Up

This year's Online Homebuyer Mystery Shop did not include submissions via online chat. The reason? Online chat should never be a replacement for true lead nurturing and follow-up. While it's easy to set an appointment right now, it doesn't mean that we should let lead nurturing slip. When the tides turn, those that truly understand the value of follow-up procedures will be the ones to make sales.

- 30% of builders shopped had live chat
- 20% of builders with chat never followed up
- 80% of those with chat also had an OSC
 - 17% of OSCs with chat followed up on day 1
 - 33% of OSCs with chat followed up 1-3 times
 - 50% of OSCs with chat followed up 5 or more times
- 20% of builders without OSCs had live chat
 - 33% of builders without OSCs with chat only followed up on day 1
 - 67% of builders without OSCs with chat never followed up

Wrap Up

The 2021 data from our Online Homebuyer Mystery Shop shows that builders are less persistent in their follow-up. Fewer emails are being sent, fewer phone calls are being made and less effort is being employed to proactively follow up. This is either a sign of burnout or complacency in a hot market. Neither of which sets any builder up well in the long term.

It's time to devise creative solutions to maintain and improve the customer experience. To do so requires meeting your buyers where they start their journey and providing a well-trained person who can assist them during the process.

Numbers don't lie, and the chasm between OSC numbers and non-OSC numbers continues to widen. Online leads should be vetted and warmed up to ensure that only the top prospects are offered to the site agents. This process allows salespeople to utilize their time where it's most necessary, especially in overturning objections and closing sales.

We also noted that OSCs are not as proactive as they have been in the past. Is this from burnout? Not enough coverage? Lack of proper training and expectations? Whatever the cause, if we are going to implement this role (and we should), then we must do it right. Otherwise, it's a disservice to our prospective homebuyers and creates friction points within the sales process and the sales team.

Now is the time to create a strong lead development department. You are generating the traffic, and it's crucial to handle it professionally with the care and consideration homebuyers need to make you their builder of choice.

How do you think you'd measure up?

Mystery shopping your entire sales process, including lead initiation, appointment setting, onsite visits and follow-up, is an excellent way to determine whether a team needs more training. Melinda Brody & Company offers a comprehensive mystery shopping package to evaluate both the online and onsite teams. Ask about their 45-day online mystery shop bundled with an onsite video shop.

Do you need trainers?

Once you have the shop results, you may need an in-house trainer to work with your OSCs and sales associates. The two Leah's can step in to help! Leah Turner with Melinda Brody & Company brings her expertise and decades of training experience to your onsite team and Leah Fellows with Blue Gypsy Inc. brings her online sales expertise to improve your online sales program.

Do you need more information on how to set up an online sales program or audit your current program for success?

For more information on how, when and why to use each follow-up type and to set up a winning online sales program, Blue Gypsy Inc. is your go-to resource. Blue Gypsy Inc. specializes in Online Sales Counselor consulting and training, providing detailed insights and helps to get the best out of your lead management and development. Utilize a free consultation to find out more about what you might need.

Is your marketing designed to drive leads and engage your buyers?

Marketing always needs to be well-executed for optimal chances of success. If your marketing program lacks content and creativity, your lead generation is not where it should be. Set up a marketing review to get business insight and fresh ideas. For help with public relations, social media, blogging, email marketing, advertising, campaigns or marketing strategy, reach out to Denim Marketing.



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