

2023

4TH ANNUAL ONLINE HOMEBUYER MYSTERY SHOP REPORT

2023 Was a Roller Coaster Year



melinda brody
& COMPANY

denim
MARKETING

REPORT OVERVIEW

For the past 4 years we've been asking the question, "How well do home builders respond to online inquiries and leads?" To answer this question, Melinda Brody & Company partnering with Blue Gypsy Inc. and Denim Marketing, mystery shops 50 builders annually, and measures their response times and follow-up methods. Since 2020, we have published an annual report detailing the results and providing builders with insight into best practices for follow-up and customer engagement. This year was a roller coaster. Are your hands in the air screaming or riding the coaster with a smile on your face?

WHO WE MYSTERY SHOPPED

We selected 50 builders, some from Builder Magazine's 2023 Builder 200 List and others at random throughout the industry. We focused on the following five diverse sub-groups, comprised of 10 builders per group:

- National Production Builders, building over 9,500 homes in 2022
- Large Production Builders, building between 4,000 and 8,500 homes in 2022
- Medium Regional Builders, building 800 to 3,000 homes in 2022
- Small Regional Builders, building 175 to 500 homes in 2022
- Small Local Builders, building 50 to 400 homes in 2022

**With each production and regional builder, we picked one market to shop, and we did not shop any one builder in more than one market.*

THE MYSTERY SHOP PROCESS

Mystery shoppers visited individual builder websites during normal business hours (Monday through Friday, 9 a.m. to 5 p.m. local time), completing contact forms with their name, phone number and email address, and including a relevant question about a specific community. Builder follow-up responses were tracked for 30 days, and the resulting data were compiled and examined for three distinct groups: all builders and builders with and without OSCs.

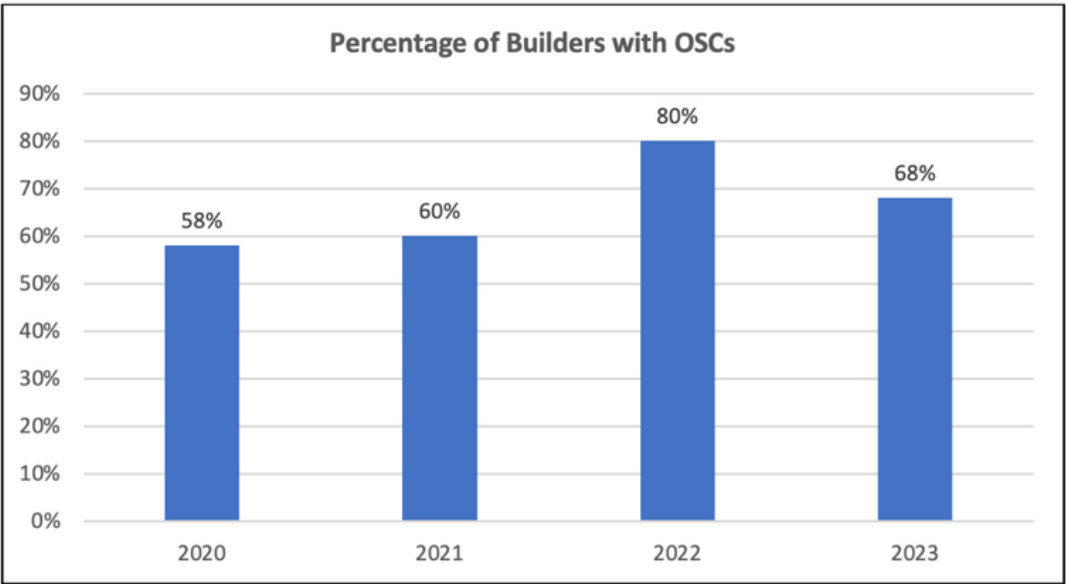
WHAT WE MEASURE

Over the 30-day tracking period, we evaluated and compared several key areas, including:

- What percentage of builders have OSCs?
- How do builders respond to the initial inquiry?
- How quickly do builders respond with personalized emails, phone calls and text messages?
- How frequently do builders respond with personalized emails, phone calls and text messages?
- Did any send video emails?

ONLINE SALES COUNSELOR PRESENCE

Online Sales Counselors (OSCs) have been around in the homebuilding industry for about 20 years. Foremost, OSCs play a vital role between marketing and sales, helping to develop incoming leads. By building rapport and trust, and providing stellar customer experience, strong leads are handed off to onsite sales agents and can reduce the time from first visit to close.



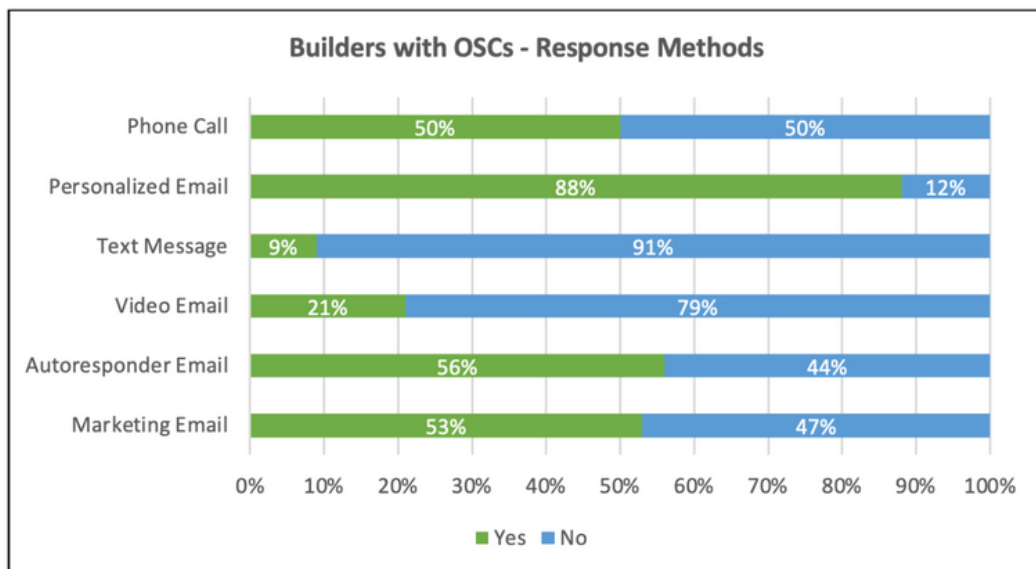
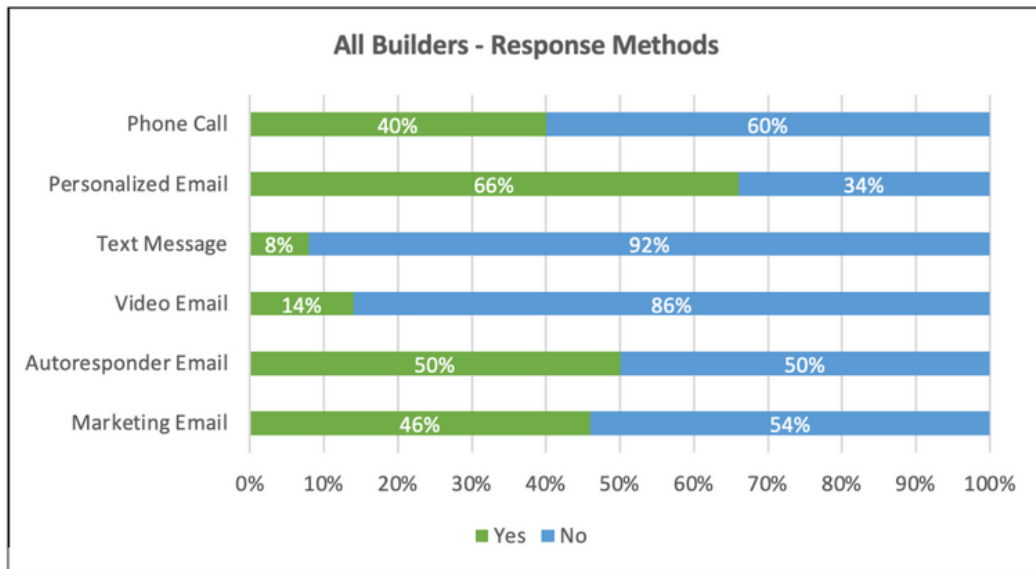
By closely reviewing the follow-up emails of the 50 builders we mystery shopped in 2023, we determined that 68% of the sampling had OSCs. That’s a decrease of 15% from last year. Still, 32% of builders shopped this year didn’t appear to have a dedicated online sales professional.

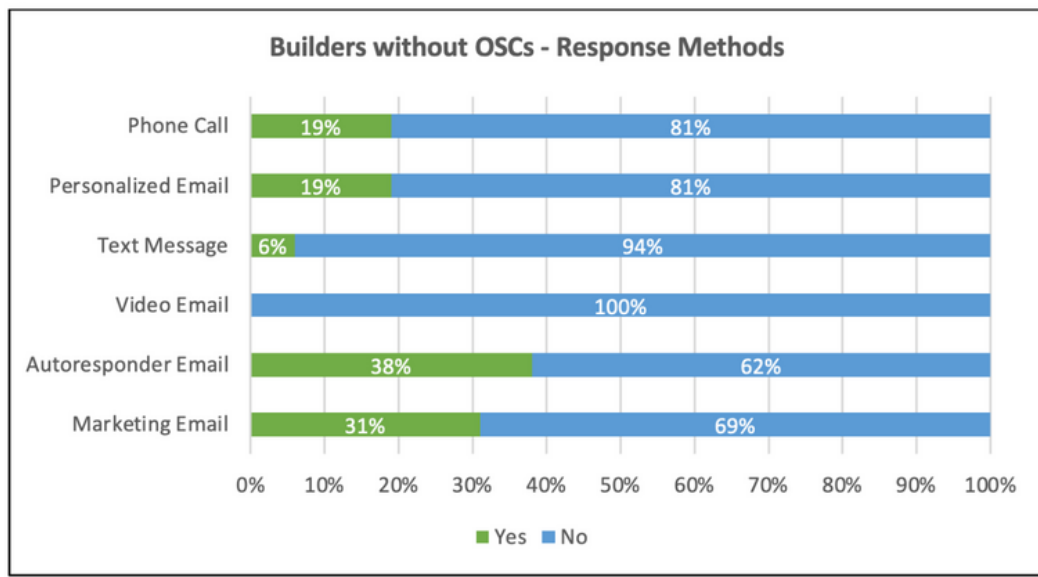
Interestingly, some builders who initially didn’t appear to have an OSC based on their websites actually did according to the follow-up emails. Of the builders who did have OSCs, 65% of them had an actual presence on the website, while 35% were uncovered in the follow-up process. This is down from 70% with a web presence in 2022.

Sub-Group	Builders Shopped	Have OSCs	OSC Web Presence
National Production Builders	10	80%	40%
Large Production Builders	10	70%	30%
Medium Regional Builders	10	80%	50%
Small Regional Builders	10	50%	50%
Small Local Builders	10	60%	50%
Total	50	68%	44%

HOW DID BUILDERS RESPOND TO THE INITIAL INQUIRY?

Initial responses on follow-up should be fast and personalized, and it should be across multiple contact channels. Not all buyers want to communicate in the same way. Some will respond to calls while others prefer emails or even text messages.





HOW QUICKLY DID BUILDERS RESPOND TO THE INITIAL INQUIRY?

When a buyer finally reaches out, they’ve likely been researching you for days, weeks or months – maybe even years. If they reach out to someone for more information via an online form, live chat or a phone call, we’ve got to be prepared to reply to them as quickly as possible. Ideally, we should begin our follow-up in 5 minutes or less whenever possible.

We created a scale we will use throughout our report to indicate speed to lead.

Response Time - Scale				
Preferred	Desirable	Reasonable	Bordering on Unacceptable	Ridiculous
5 minutes or less	Within 30 minutes	Within 4 hours	Between 12 and 24 hours	Beyond 1 day

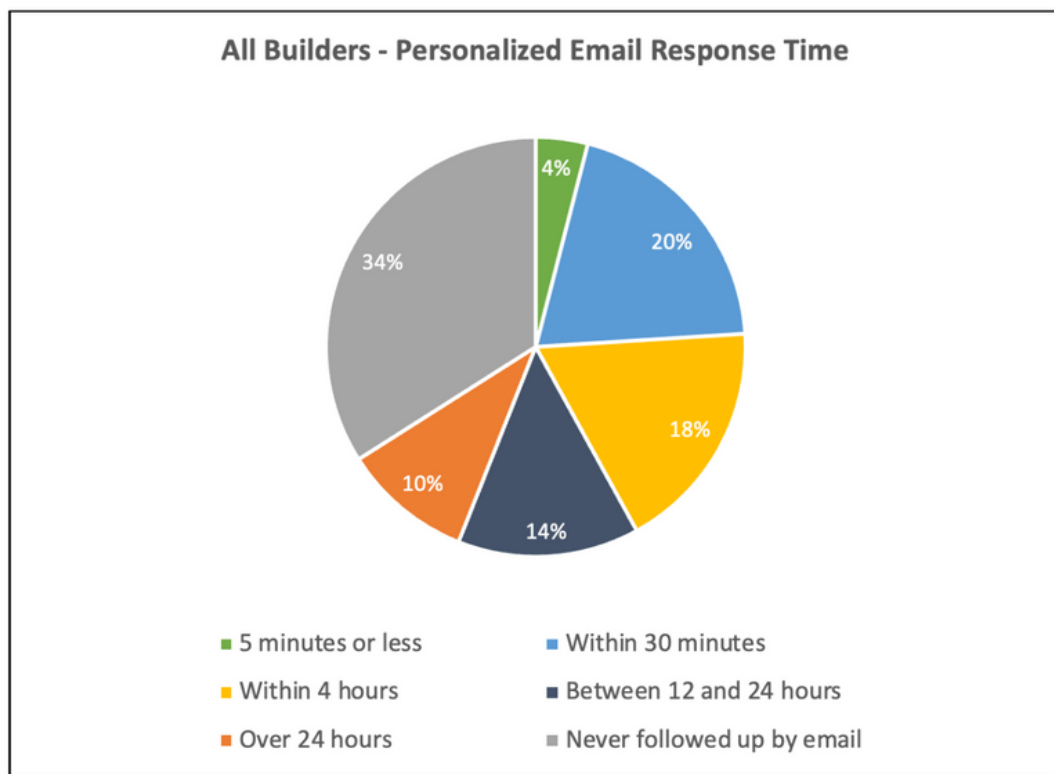
COMPARING ALL BUILDERS TO THOSE WITH AND WITHOUT OSCS: SPEED - PERSONALIZED EMAIL RESPONSES IN 2023

Within the first 24 hours of the online inquiries being submitted, 79% of OSCs (or 27 out of 34 OSCs) shopped responded with a personalized email, compared to 78% (or 31 out of 40 OSCs) shopped in 2022.

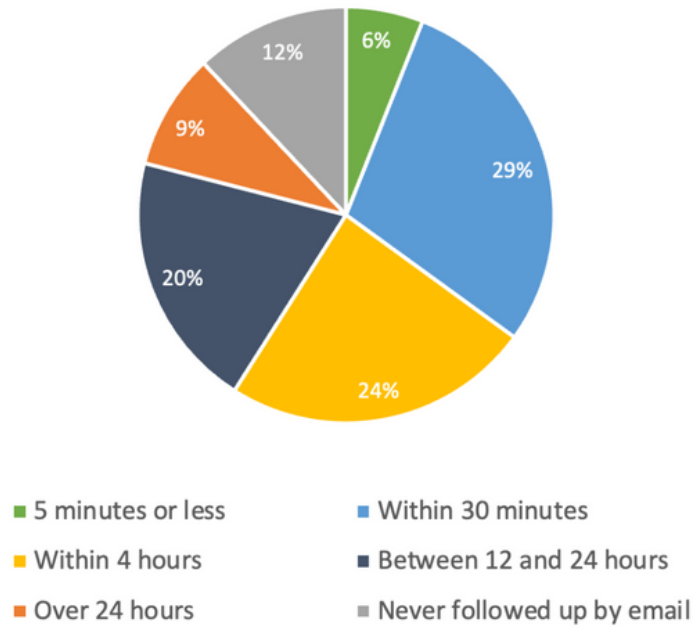
6% of builders without OSCs responded within the first 24 hours which is an improvement from 0% in 2022.

3 OSCs took more than a day to follow up, while 4 OSCs never followed up at all. One OSC took 12 days before they began any kind of follow-up.

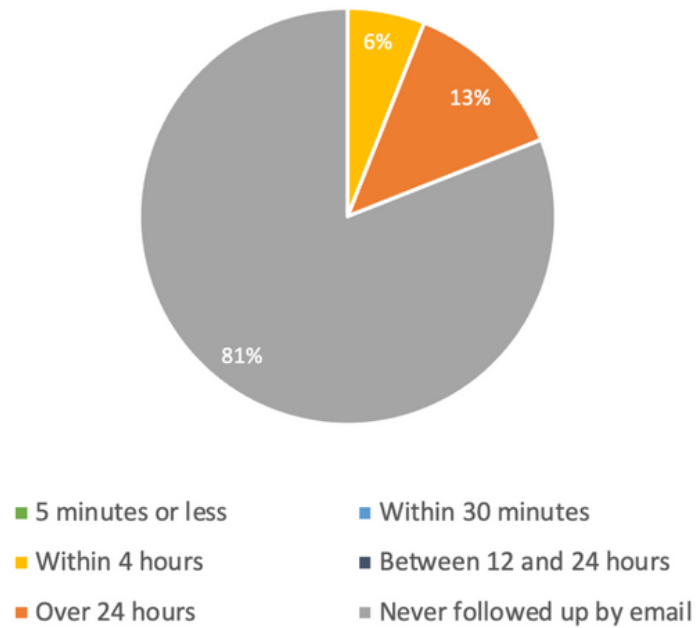
It took 1 builder without an OSC 7 days to send a personalized email, while 13 of 16 builders without an OSC never sent a single email.



Builders with OSCs - Personalized Email Response Time



Builders without OSCs - Personalized Email Response Time



COMPARING THE BUILDER SUB-GROUPS: SPEED - PERSONALIZED EMAIL RESPONSE TIMES IN 2023

ALL BUILDERS

Sub-Group (All Builders)	5 Min. or Less	Within 30 Min.	Within 4 Hours	Between 12 & 24 Hours	Over 24 Hours	Never Responded
National Production Builders	0%	20%	30%	20%	0%	30%
Large Production Builders	10%	10%	30%	20%	20%	10%
Medium Regional Builders	10%	20%	20%	10%	0%	40%
Small Regional Builders	0%	30%	10%	0%	10%	50%
Small Local Builders	0%	20%	0%	20%	20%	40%

BUILDERS WITH OSCs

Sub-Group (Builders with OSCs)	5 Min. or Less	Within 30 Min.	Within 4 Hours	Between 12 & 24 Hours	Over 24 Hours	Never Responded
National Production Builders	0%	25%	38%	25%	0%	12%
Large Production Builders	14%	14%	29%	29%	14%	0%
Medium Regional Builders	13%	25%	25%	12%	0%	25%
Small Regional Builders	0%	60%	20%	0%	0%	20%
Small Local Builders	0%	33%	0%	33%	34%	0%

BUILDERS WITHOUT OSCs

Sub-Group (Builders without OSCs)	5 Min. or Less	Within 30 Min.	Within 4 Hours	Between 12 & 24 Hours	Over 24 Hours	Never Responded
National Production Builders	0%	0%	0%	0%	0%	100%
Large Production Builders	0%	0%	33%	0%	33%	34%
Medium Regional Builders	0%	0%	0%	0%	0%	100%
Small Regional Builders	0%	0%	0%	0%	20%	80%
Small Local Builders	0%	0%	0%	0%	0%	100%

SPEED - PERSONALIZED EMAIL RESPONSES IN 2023

5 Minutes or Less (Preferred):

- 4% of all builders sent a personalized email in 5 minutes or less
- This is a 50% decrease from 2022

Within 30 Minutes (Desirable):

- 20% of all builders sent a personalized email within 30 minutes
- This number is up 11% from 2022



Within 4 Hours (Reasonable):

- 18% of all builders sent a personalized email within 4 hours
- This is down 35% from 2022

Beyond 1 Day (Ridiculous):

- 10% of all builders took more than a day to respond
- This is down 38% from 2022

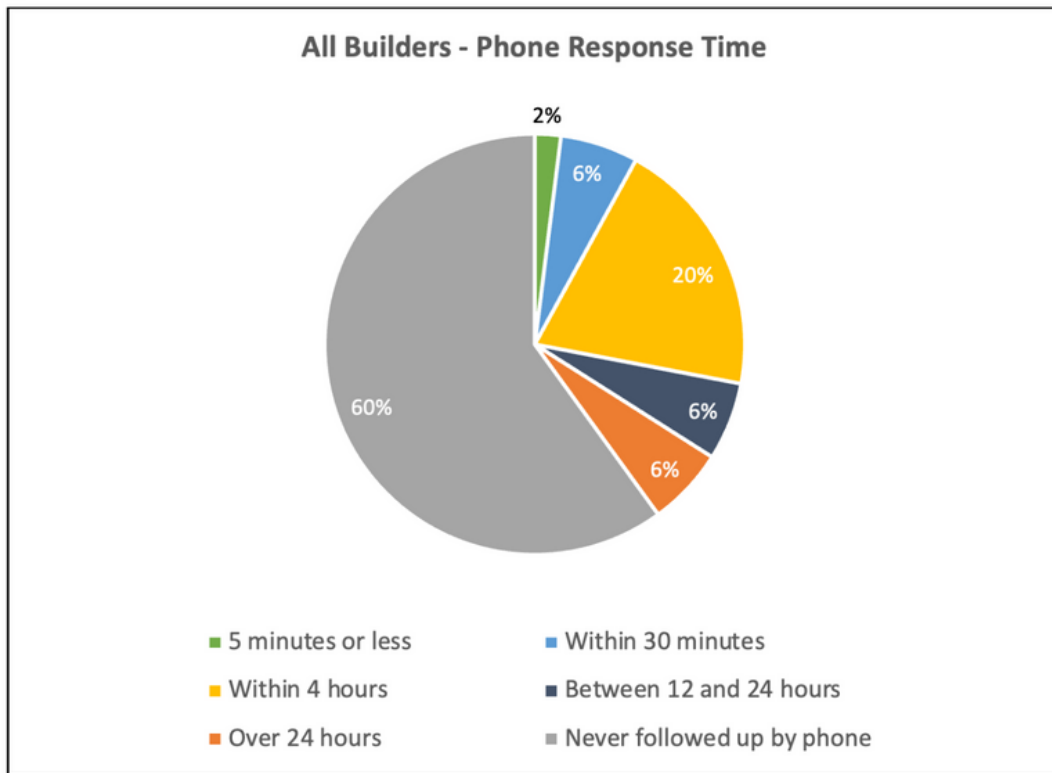
Never Responded (Shameful):

- 34% of all builders never followed up by email
- This is up 54% from 2022

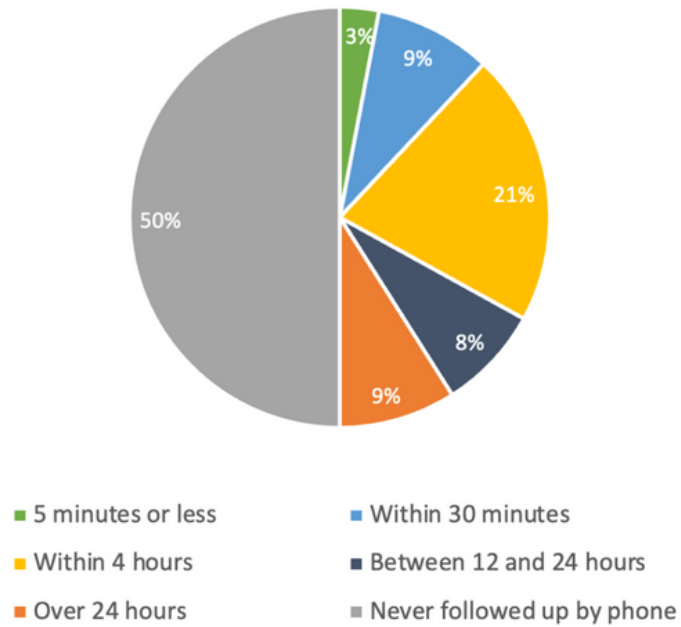
COMPARING ALL BUILDERS TO THOSE WITH AND WITHOUT OSCS: SPEED - PHONE RESPONSE TIMES IN 2023

In 2023, the longest time it took anyone to make a phone call was 29 days, breaking the previous record of a 26-day wait in 2021!

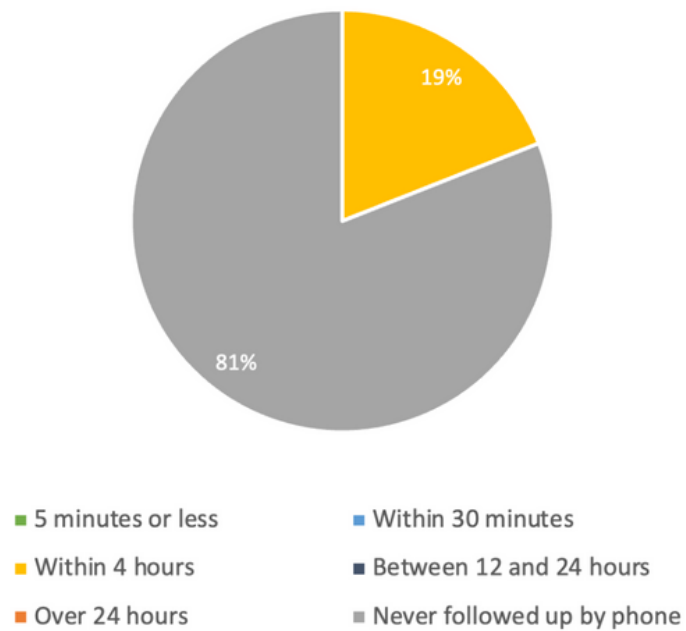
- 60% of all builders never followed up by phone. This is an improvement from 2022, when 64% never picked up the phone.
- 50% of OSCs didn't pick up the phone in 2023 vs. 58% of OSCs in 2022.
- 81% of non-OSCs never picked up the phone, down from 90% of non-OSCs in 2022.
- 3% of OSCs followed up by phone in 5 minutes or less, the same as in 2022.
- 21% of OSCs followed up between 30 minutes to 4 hours, up from 15% in 2022.
- 9% of OSCs took more than a day to follow-up by phone, down from 15% in 2022.



Builders with OSCs - Phone Response Time



Builders without OSCs - Phone Response Time



COMPARING THE SUB-GROUPS: SPEED – PHONE RESPONSE TIMES IN 2023

ALL BUILDERS

Sub-Group (All Builders)	5 Min. or Less	Within 30 Min.	Within 4 Hours	Between 12 & 24 Hours	Over 24 Hours	Never Called
National Production Builders	0%	0%	30%	0%	10%	60%
Large Production Builders	0%	10%	20%	20%	0%	50%
Medium Regional Builders	0%	10%	40%	10%	0%	40%
Small Regional Builders	0%	10%	10%	0%	0%	80%
Small Local Builders	10%	0%	0%	0%	20%	70%

BUILDERS WITH OSCs

Sub-Group (Builders with OSCs)	5 Min. or Less	Within 30 Min.	Within 4 Hours	Between 12 & 24 Hours	Over 24 Hours	Never Called
National Production Builders	0%	0%	38%	0%	12%	50%
Large Production Builders	0%	14%	0%	29%	0%	57%
Medium Regional Builders	0%	12%	38%	12%	0%	38%
Small Regional Builders	0%	20%	20%	0%	0%	60%
Small Local Builders	17%	0%	0%	0%	33%	50%

BUILDERS WITHOUT OSCs

Sub-Group (Builders without OSCs)	5 Min. or Less	Within 30 Min.	Within 4 Hours	Between 12 & 24 Hours	Over 24 Hours	Never Called
National Production Builders	0%	0%	0%	0%	0%	100%
Large Production Builders	0%	0%	66%	0%	0%	34%
Medium Regional Builders	0%	0%	50%	0%	0%	50%
Small Regional Builders	0%	0%	0%	0%	0%	100%
Small Local Builders	0%	0%	0%	0%	0%	100%

Speed and Auto Responders - Do They Count?

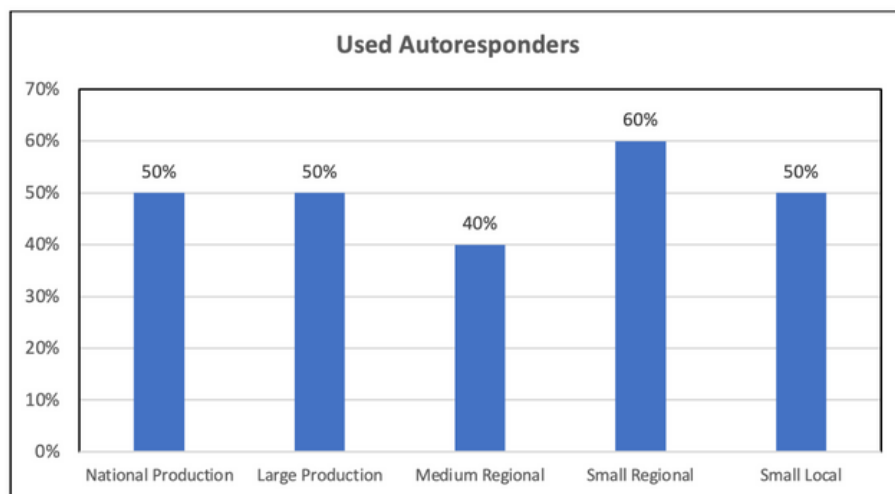
When we look at the speed of email response time, we look for a response to the mystery shopper's community- or builder-related question submitted with the online form to know this isn't just an autoresponder. However, in these busy times, an autoresponder can buy you some time, or at least allow a prospective buyer to know someone will be 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:

Autoresponder Usage by Builder Group - Comparing 2023 to 2022

Group	2023	2022	Difference
All Builders	50%	32%	56% increase
Builders with OSCs	56%	38%	47% increase
Builders without OSCs	38%	10%	280% increase

All Builders by Sub-Group: Autoresponder Usage in 2023



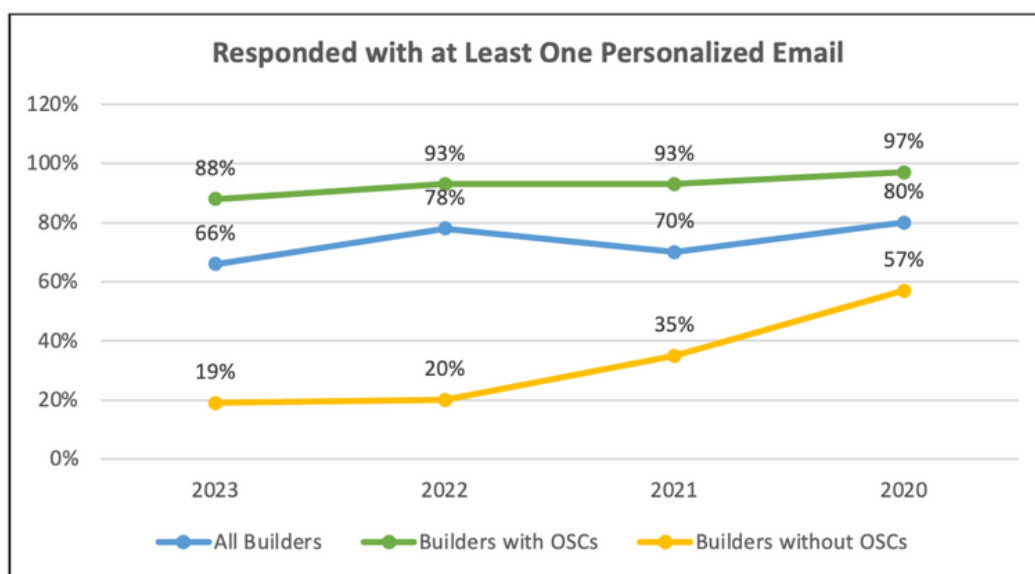
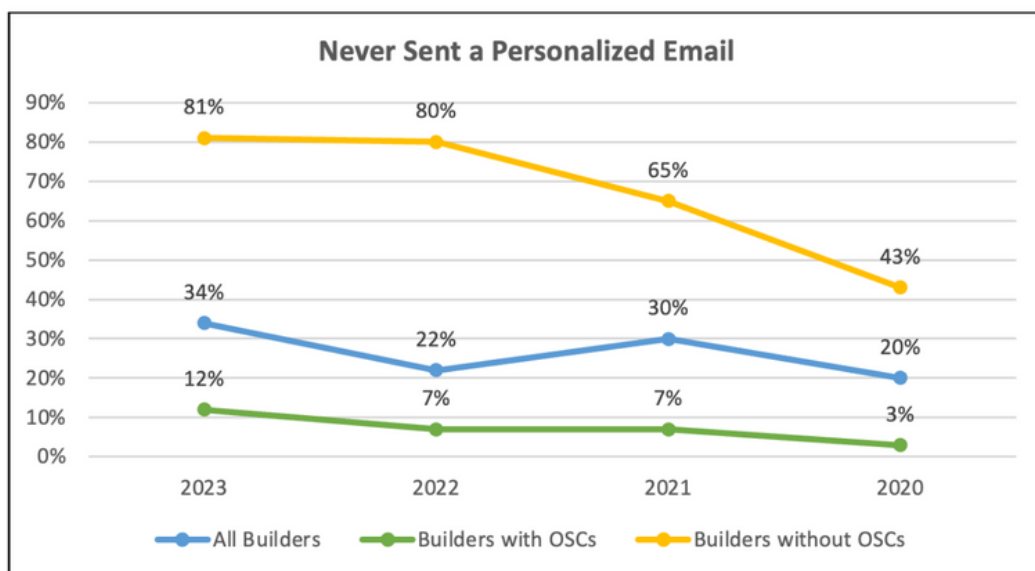
PERSONALIZED EMAILS VS. MARKETING EMAILS

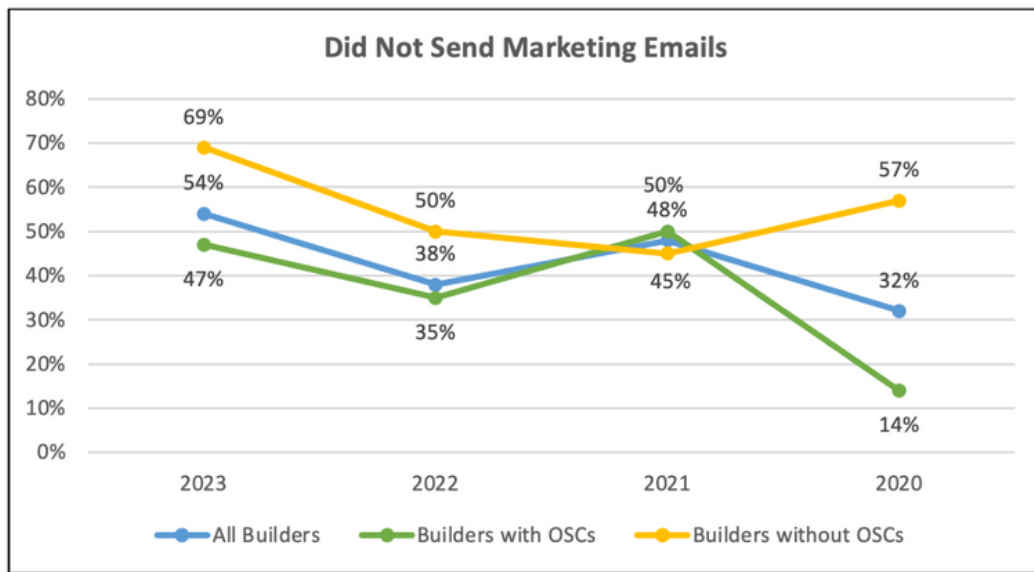
While it's important to have marketing messages go out to your database regularly, personalized emails are much more likely to elicit a response. A message can simultaneously sound personalized and yet be automated. Automation is not the death of personalization, you just need to monitor how and when you are using it.

You should be auditing your messaging every quarter and adjusting whenever there are sharp changes in the market, in your communities or your company. This is especially important if you've set up a lot of automation. Automation is a recipe for sending out information that is not applicable to certain situations.

If lead volume is dropping off and it's possible to remove some of the automation for more customized and personalized emails, the response factor will be stronger. But if you don't remove automation, at the very least, you must make sure the messaging is still on target.

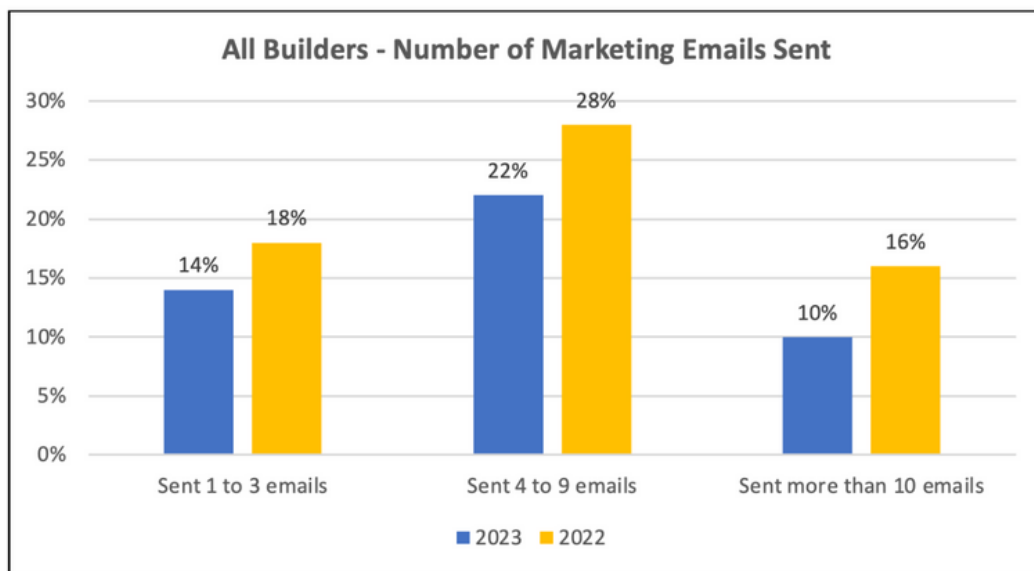
Comparing our most recent mystery shop results to prior years, we found:





Marketing Emails – these are always different than the personal follow-up sent by the OSCs. These usually include pictures, are templated, and are worded as marketing messaging instead of personal contact.

In a 30-day period:



Diversity of the Contact in 2023

Diversity of touch points is important in any follow-up process. People will respond differently to different types of contact. Phone calls and emails are not dead, and video has a high engagement rate when done right.

- 34% of all builders in 2023 never followed up by email, considerably higher than in 2022, where 22% of builders never followed up by email.
- 60% of all builders in 2023 never followed up by phone, a slight improvement from 2022, where 64% of builders never followed up by phone.
- Sadly, for all builders, video email use declined 12% from last year to 14% and text messages declined 33% from 2022 to 8%.

All Builders by Sub-Group: Diversity of the Contact in 2023

Sub-Group (All Builders)	Sent more than 1 personalized email in the first 30 days	Made more than 1 phone call in the first 30 days	Sent at least 1 video email	Sent at least 1 text	Sent at least 1 marketing email
National Production Builders	50%	10%	30%	10%	70%
Large Production Builders	50%	20%	0%	30%	50%
Medium Regional Builders	30%	40%	10%	30%	50%
Small Regional Builders	30%	0%	10%	30%	20%
Small Local Builders	20%	10%	10%	10%	40%

Builders with OSCs by Sub-Group: Diversity of the Contact in 2023

Sub-Group (Builders with OSCs)	Sent more than 1 personalized email in the first 30 days	More than 1 phone call in the first 30 days	Sent at least 1 video email	Sent at least 1 text	Sent at least 1 marketing email
National Production Builders	63%	13%	38%	13%	63%
Large Production Builders	57%	14%	0%	29%	57%
Medium Regional Builders	38%	50%	13%	38%	63%
Small Regional Builders	60%	0%	20%	60%	20%
Small Local Builders	33%	17%	17%	17%	50%

Builders without OSCs by Sub-Group: Diversity of the Contact in 2023

Sub-Group (Builders without OSCs)	Sent more than 1 personalized email in the first 30 days	More than 1 phone call in the first 30 days	Sent at least 1 video email	Sent at least 1 text	Sent at least 1 marketing email
National Production Builders	0%	0%	0%	0%	100%
Large Production Builders	33%	33%	0%	33%	33%
Medium Regional Builders	0%	0%	0%	0%	0%
Small Regional Builders	0%	0%	0%	0%	20%
Small Local Builders	0%	0%	0%	0%	25%

FREQUENCY OF THE MESSAGING

Taking a “one and done” approach is not the way to convert marketing dollars into leads. An inquiry is just the first step in lead generation. It’s important to try to get a response. That’s why frequency and creativity in your messaging is so important. Remember this is not a cold call, it’s a warm lead and someone who has asked for information. Consistent, persistent follow up is the name of the game.

Of those that responded with personalized emails:

- 30% of all builders who responded never sent more than 1 email – this is a 7% increase from 2022!
 - 38% of OSCs never sent more than 1 email, compared to 30% last year.
 - 13% of builders without OSCs never sent more than 1 email, compared to 20% last year.
- 12% of all builders only sent 3 personal emails – this is down 71% from 2022.
 - 100% of those were sent by OSCs.
- 20% of all builders sent 5 or more personal emails.
 - 90% of those were sent by OSCs.

Of those that responded by phone:

- 24% of all builders who made calls never attempted another. This is down 8% over last year’s numbers.
- 10% of all builders only made 2 phone calls. This is a 66% improvement from 2022. This year, 80% of these calls were made by OSCs.
- 6% of all builders made 3 or more calls and all of those were made by OSCs. This is a 50% improvement from last year.

Of those that responded by text or video emails:

- 8% of all builders sent text messages – 75% were from OSCs.
- 14% of all builders sent video emails – 100% of those were OSCs.

FREQUENCY AND DIVERSITY OF TOUCHPOINTS

While we know it's important to follow-up quickly, we also know that people are busy, and they may not respond the first time you reach out to them. It's important to have follow-up processes in place. With the availability of strong CRMs (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 big difference between marketing emails and personalized emails that sound like they are coming from a friendly person who is there to help them 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. Sometimes the delivery of that information must come from mixed sources to catch the attention of that would-be buyer. Not everyone will be responsive to emails, but they might open a video. Not everyone will answer their phone, but they might reply to a text message. Have the tools and processes available to connect with your buyers.

FINAL THOUGHTS

What Does All of This Mean?

While all builders with online sales programs still do better overall at getting back to prospective homebuyers, we may be dropping the ball. As we saw a decrease in lead volume during 2023, this meant MORE time to spend prospecting and contacting people who fill out a form on our website. We hear a lot about lack of lead volume, but why aren't we tending the leads we are getting?

Lead Volume is Dropping - Our Follow Up Should be Increasing!

28% of all builders surveyed NEVER utilized any channel for personal follow-up. This is worse than last year when it was 18%. In a market where every lead counts and we should be adopting a no lead left behind mentality, how are we leaving behind at almost double the amount of last year?

Persistence is Lacking

The last two years of data from our mystery shops show that builders are less persistent in their follow-up. Fewer emails and phone calls are going out and less effort is being made to be proactive with follow-up.

As the market ebbs and flows, we need to come up with creative solutions to maintain and improve our customer experience. This means meeting your buyers where they start and providing a well-trained person who can handle that customer journey.

Paint by Numbers

Numbers don't lie and the chasm between OSC numbers and non-OSC numbers continues to widen. Now is the time to create a strong lead development department. You are generating the traffic, and it's crucial to handle it professionally and 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, on-site 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 on-site teams. Please ask about their 45-day online mystery shop bundled with an on-site video shop.

Do you need trainers?

Once you have the shop results and you don't have an in-house trainer to work with your OSCs and sales associates, the two Leah's can help. Leah Turner with Melinda Brody & Company can bring her expertise and decades of training experience to your onsite team and Leah Fellows with Blue Gypsy Inc. can bring 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 help 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 on point. If your lead generation is not where it should be or you'd like professionals to look at your marketing campaigns and provide insight and ideas, then reach out to Denim Marketing.



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