

# Virtual Leasing: The Story of 2020

**May 15, 2020**

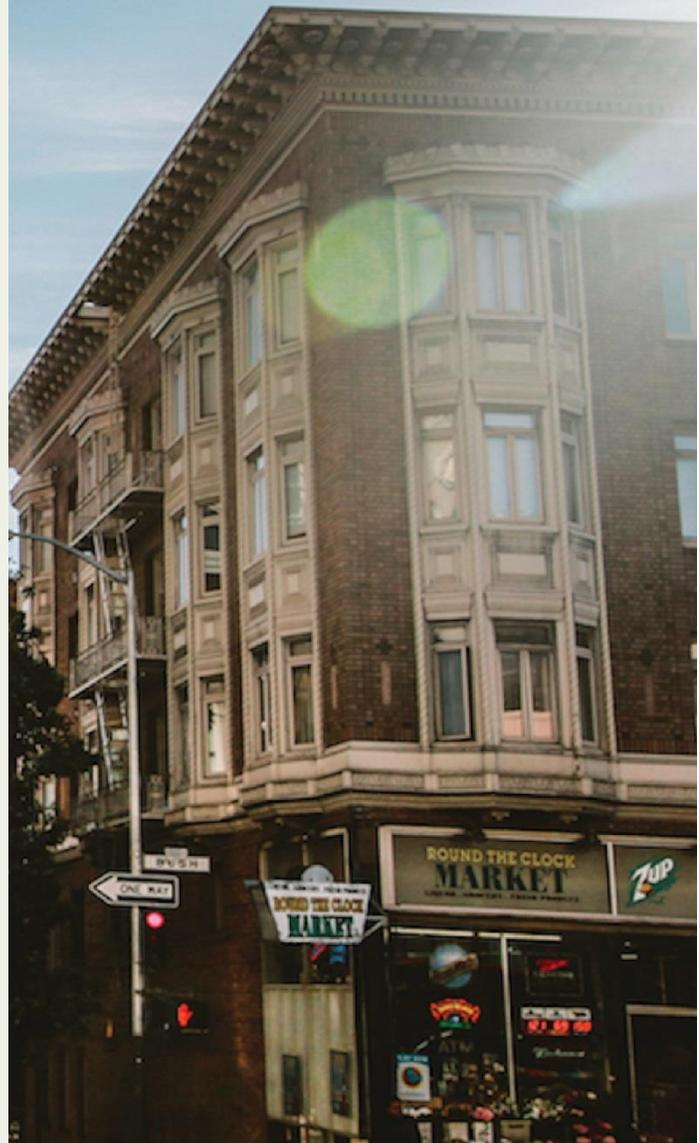
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# Virtual Leasing: The Story of 2020

Have you noticed that your employees and customers behave differently in a virtual leasing setting? When placed *behind the screen*, a list of insecurities, physical distractions, and technological challenges come into play for both customers and employees alike. Additionally, many companies are realizing that the traditional selling skills are not enough – they must be tweaked and ramped up to create a more engaging and connected experience for the customer.

The virtual leasing story created *between the screens* is what we at [Ellis Partners in Management Solutions \(Ellis\)](#) are attempting to tell by gathering data revealed through our virtual leasing mystery shops. After completing over 1,100 virtual leasing mystery shops from March 25<sup>th</sup> to April 30, 2020, we are beginning to pinpoint areas that will help our customers determine what is working and what is not, and present opportunities to improve the story being created *between the screens*.

## Approach

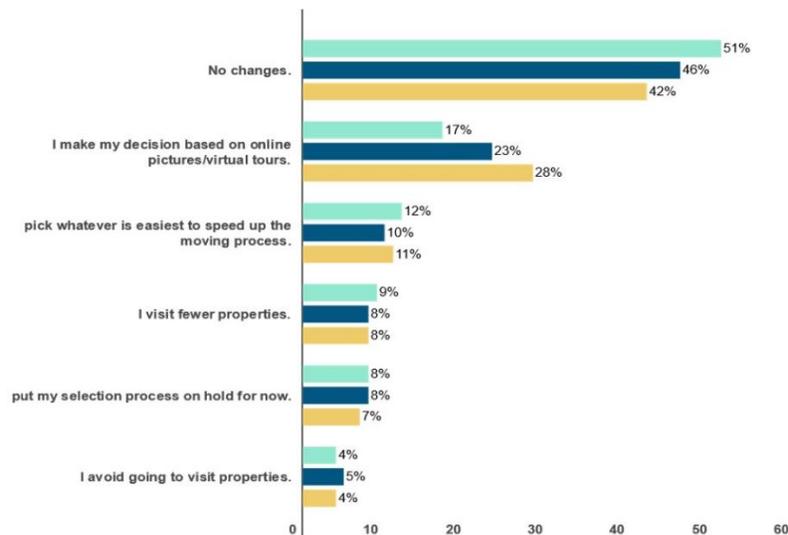
Leasing an apartment home without an in-person tour is not new. Some prospective residents, such as those moving from out-of-state, have traditionally rented based on nothing more than phone conversations and online information. Those who work in student housing, senior housing, and short-term rentals, are familiar with leasing without a face-to-face contact. While COVID-19 has forced the rest of the industry to join, the good news is that the key elements of the process remain the same, whether you are working with a customer in-person or virtually.

- You will still create a positive, memorable experience.
- You will still practice effective questioning and listening skills.
- You will still explore customer needs and show how your community's features will best fit those needs.
- You will still follow-up with the customer and ask them to lease.

Is the transition from in-person to virtual that easy? No. No one was prepared for this, and it might start off a little messy but that is *okay*. It is the effort that truly matters to the CUSTOMER. Customers will go where they feel appreciated. They still have choices. Will they choose you?

Is the customer's *approach* to renting changing during this time? While the customer's expectations have not changed, COVID-19 is having an impact on their selection process. [RENTCafe](#) explored the selection process question in three separate surveys\* – March 18<sup>th</sup>-20<sup>th</sup>, 2020 (green-6,000 renters), March 25<sup>th</sup>-27<sup>th</sup>, 2020 (blue-7,000 renters), and April 14<sup>th</sup>-16<sup>th</sup>, 2020 (orange- 9,000 renters).

## How does this situation affect your apartment selection process?



What can we learn from this graph? Customers are taking more time during the selection process and becoming increasingly dependent on using online pictures and virtual tours to make their decisions.

Additional questions in this same survey revealed:

- The percentage of those willing to move as soon as they find an apartment that fits them jumped by 10% reaching 62% in mid-April.
- The number of respondents looking for something cheaper increased by 3% reaching 31% in the most recent April survey.

How can your team prepare for success?

- If the customer is taking more time during the selection process, employees should be increasing their time engaging, qualifying, and selling to their customers.
- Understandably, price concerns could grow, so *qualifying customers* and *building value* in your product will be an important focus.

\*For the complete surveys visit [RENTCafe.com](https://www.rentcafe.com).

## The Story Between the Screens

Let us swing over and review the Ellis data which reflects the beginning of the leasing story as revealed through virtual leasing mystery shops. Are leasing teams prepared for the customer? Are they prepared to respond to increasing phone/internet traffic in the virtual leasing world?

Ellis' virtual leasing mystery shopping data identified opportunities as they related to connecting live with a leasing professional to begin the leasing discussion. The chart below represents the outcome of the initial telephone connection.

The Initial Customer Call	
 Phone Call	<ul style="list-style-type: none"> <li>Attempts before reaching a live individual: <b>2</b></li> </ul>
 Return Call	<ul style="list-style-type: none"> <li>If you left a message with the PROPERTY, did you receive a return call within 48 hours*? <b>38%</b></li> <li>If you left a message with the CALL CENTER, did you receive a return call within 48 hours? <b>29%</b></li> </ul>
 Toured on Time	<ul style="list-style-type: none"> <li>If you made an appointment for a live virtual presentation, did they keep the appointment? <b>72%</b></li> </ul>
<p>*In this case, the shopper called 3 previous times without reaching a live person.</p>	

### Between the Screens

- We know that things are beginning to improve.
  - During the period between March 26<sup>th</sup> and April 10<sup>th</sup>, 2020 shoppers were interacting with leasing professionals whose emotions of uncertainty were high. They appeared less confident when speaking about the community, and many either did not know how to or did not have the right tools to provide an adequate virtual leasing experience. This could account for the high number of virtual appointments that were not kept with potential customers.
  - The good news is that we started to see a positive shift during the period from April 11<sup>th</sup> - April 24<sup>th</sup>, 2020. The leasing professionals were getting comfortable with new leasing strategies, processes, and technology tools, and upon completing more virtual tours, their confidence seemed to be on the rise.
- While most leasing professionals are working at home or in locked-in offices, they are also being bombarded with a multitude of calls from concerned vendors and existing residents who are also working from home. These distractions are negatively impacting their ability to focus their complete attention on the customer when they do call.
- When messages were left, only 38% of customers received a return call within 48 hours. Messages left through a Call Center for a virtual tour were even lower with a return call rate of 29%. Think about the impact of no return call or even a return call after 48 hours. Does that outcome taint the customer's perception of the community, or have they already moved on to the competitor?
- Continuous changing environments, unorganized processes, added disruptions at work and home, and lack of tools and confidence, likely played into the percentages of leasing professionals not returning leasing calls as well as honoring their appointment commitments.

## Opportunities to Improve the Story

- Determine the cause by asking questions. Is an overload of vendor calls or existing residents calling with concerns burdening your leasing team? Is their home situation causing high levels of stress? Are they unprepared and unorganized which is causing them to not return calls and miss appointments? Do they not have the proper systems and tools available to be successful?
- Remove the obstacles. We know that qualified customers are calling, and that number is likely to increase. Teams must be ready.
  - Could you field out vendor calls to a different person who is not located onsite?
  - Could you designate specific days to deliver live virtual tours (M, W, F, S) and schedule those appointment slots on the other three days (T-Th-Sun)?
  - Could one person do the appointment scheduling, and another deliver the tour – then rotate?
  - Can you create a master scheduling system so that no customer falls through the cracks? Who is following up and confirming appointments?
  - Are teams taking advantage of the [Free COVID-19 Training Resources](#) offered through Edge2Learn to further develop and build confidence in your onsite teams?

## Transition: In-Person to Virtual

We expected the transition from in-person to virtual to start out messy, but we have seen improvement. In fact, based on this Ellis chart, it appears that companies are still “testing the waters” to determine the best solutions and tools to use in this new environment. Many approaches to the virtual leasing experience are being offered and delivered to customers by leasing professionals. On average, each customer was offered 1.2 types of virtual tours. As employees’ transition and acclimate to their new style of leasing, we are likely to see a more consistent approach to the tools used for their sales presentation delivery, but right now it seems to run the gamut.

Virtual Leasing	Type of Tour Offered	Type of Tour Taken	Effectiveness of Tour
Generic video	49%	52%	76%
Personalized (Face Time) Tour	31%	31%	94%
Verbally walked floor plan/website	8%	10%	89%
Personalized recorded video tour/email	6%	5%	92%
Screenshare	5%	3%	95%
% of Shops That Did Not Tour	N/A	30%	0%

## Between the Screens

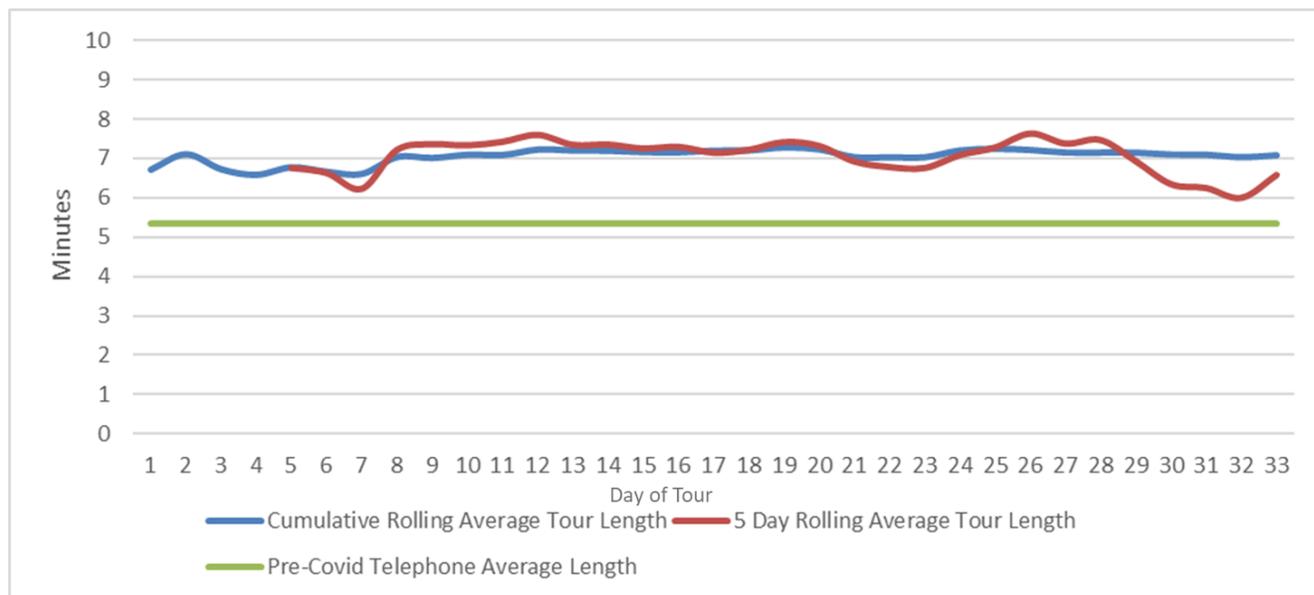
Clearly, the three most personalized approaches have the potential of delivering the greatest results. We expect the early approach was to take the easy road and send out a generic video, but it does not speak to the specific needs of the customer. In fact, shoppers commented that in some cases they were being inundated with an overload of information that did not even pertain to their needs. The qualifying step was missing, and leasing professionals were simply dumping out information. Because customers are willing to invest more time on their search right now, now is not the time for leasing teams to cut corners or rush through presentations. The leasing presentation is not new to most leasing professionals; they just need to be confident that with the right tools and attitude it can be delivered effectively *between the screens*.

## Opportunities to Improve the Story

- Build on what is working. How can you streamline and perfect the process of scheduling and delivering a personalized FaceTime tour? This type of leasing presentation has a 94% effective rate.
- Locate missed opportunities. While the personalized recorded video tour is only being offered 5% of the time, the payoff shows that 92% of those customers found it effective. Screensharing is another underutilized tool. Look for tools that allow the employee to engage with the customer and bring them as close to in-person as possible. FaceTime, Zoom, customized videos with voice overs, etc. are very effective methods to connect one-on-one with the customer.
- Ask your employees. Who is getting the best results with the customers? What are they doing differently? What new ideas do they have that have not been explored or considered by the company?
- Listen to the customer. According to customer search data gathered during COVID-19 and released by ABODO in a [recent e-Leasing Webinar](#):
  - 60% of renters say they must see photos and floorplans in order to consider leasing an apartment.
  - 85% of renters interviewed stated that they need to see digital media of the actual units they are considering. Model unit media is not sufficient.
  - 77% of renters explicitly say they will not commit virtually to a lease without either a pre-recorded video tour or a FaceTime tour of the unit they are considering.

## The Results: Length of Virtual Tours

The telephone presentation has always posed a challenge for many leasing professionals. The ability to engage, connect, and keep the attention of the customer on the phone with the goal being to visit the community has never been an easy process. Now, combine that with the addition of a virtual leasing experience and you have the *perfect storm*. If the pre-COVID-19 length of a telephone call was just over 5 minutes, how is it possible to deliver a top-notch telephone + virtual tour in just under 8 minutes which is what our results revealed? Well, the answer is it is not.



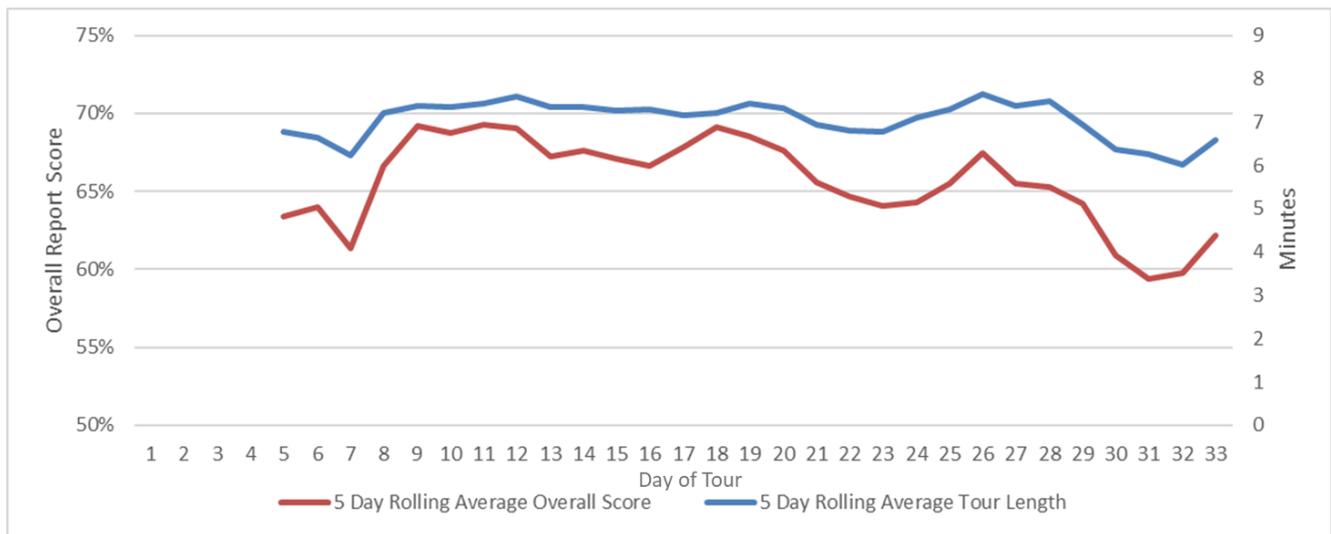
## Between the Screens

- Shopper feedback has revealed that important components of the telephone presentation are being omitted. These components include identifying basic and specific customer needs, presenting solutions, closing, and follow-up. While we are beginning to see more confidence exuded by employees, the new excitement has caused some leasing professionals to quickly offer an abundance of generic information – for example, providing customers with too many links for the customer to review on their own. They are creating an information overload.

## Opportunities to Improve the Story

- Identify the obstacles. Based on our findings, there is a certain insecurity showing up in leasing professionals when it comes to transitioning the complete presentation into a virtual world. In many cases, their nerves, anxieties, uncertainties, and unpreparedness are getting the best of them. The fact is that customers are not going to stop calling, so as an industry we must figure this out very quickly.
  - Do they have the technology to deliver the most effective leasing presentation? Are they using their own cell phones and worried about increased usage costs?
  - Have they organized their videos, schedules, links, and ideas to quickly deliver a seamless leasing presentation? Are they prepared to take customer calls?
  - Are they even meeting the basics? Some shops closely resemble what it looks like when a customer calls a community and they are 100% occupied with no vacancies foreseen. Everything is skipped, and they simply tell them to pick up a brochure and go look online.

Does the brevity of the conversation impact the score? We know that early on teams were trying to figure out this new way of doing business, but now we see less fluctuation in overall scores, with the average at just below 70%. While pre-COVID-19 scores were not anticipated to be this low, we believe that with focus the scores will continue to increase.



## Between the Screens

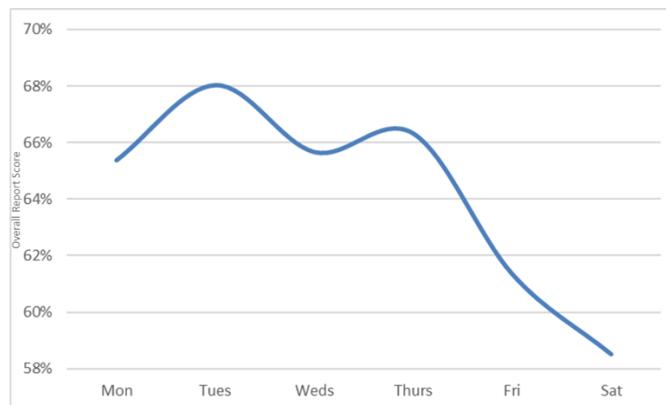
- Just under 8 minutes of time invested on the telephone is going to produce a score just below 70 percent.
- There is a direct correlation between time invested with the customer and the score received.
- If we increase the quality time invested with the customer, we will better understand and meet the customer expectations, and the results will improve.

## Opportunities to Improve the Story

- Listen to the customer. They are telling us they are willing to invest more time in their selection process, so do not rush them. More time invested with the customer covering the basics will likely increase scores. If 8 minutes results in a 68% score, what could we gain by engaging with the customer for an additional 5 minutes while walking them through a virtual FaceTime or Zoom tour?
- Go back to the basics. Follow the same process that has delivered success for many years. Consider pulling out the old paper guest cards for those who are working at home.
  - Establish rapport, identify needs, present solutions, summarize, close, and follow-up.
  - Engage with the customer. Inject your personality so that you stand out among the rest.
  - Be organized and have a plan ready for every call *before* you answer.
  - Do not rush. The shorter the presentation, the lower the score. This was true before COVID-19, and it is true now. Use your time wisely.

## The Results: Virtual Shop Scores by Day

The Ellis data has revealed a volatile rise and drop in performance and scores on different days of the week. Because teams are operating in such a challenging environment, we are not certain what is contributing to this fluctuation in performance. Is the changing environment, smaller work teams, lack of leasing tools, additional disruptions, etc. having an impact? We hope that together we can determine the cause and devise appropriate solutions.



## Between the Screens

- Performance takes a dramatic drop beginning on Thursdays, and by Friday, the average score dips to just above 58%. The best performance day is Tuesday, and Thursday follows behind it.
- What is the cause?
  - Are Tuesdays staffed differently than the rest of the week?
  - Are Mondays more of a catch-up day and less of a focus on leasing?
  - What day of the week is generating the most customer phone traffic? Are there ample people to cover the calls?
  - What is happening on Saturday, which in a normal environment, would reflect some of the highest customer traffic?
  - Could the drop be connected to home disruptions? Kids schoolwork? Sibling arguments? A loss of employment? Family health concerns?

### Opportunities to Improve the Story

- At this point, asking questions is the best approach so that teams can respond to the cause of the drastic jumps and dips in performance throughout the course of the week.

## The Results: Closing and Follow-Up

Traditionally, the close and the follow-up have been the lowest scoring sections on Ellis' shopping reports, revealing the most missed opportunities. It was a challenge then, and it still appears to be a challenge as evidenced in the 1,100+ virtual leasing mystery shops completed through April 30<sup>th</sup>, 2020.

### Between the Screens

- Closing: 57% of shoppers agreed that based on the presentation, a sense of urgency was conveyed by the leasing professional, yet only 34% were directly asked to complete the application and leave a deposit online through the community website.
- Follow-up: 73% of leasing professionals followed up with customers via a call, email, or text. When the follow-up took place, 70% of customers agreed that their questions were answered. Interestingly, only 52% agreed that the follow-up they received created a desire for them to continue the leasing conversation.

### Opportunities to Improve the Story

- The follow-up data and feedback from our virtual leasing mystery shops confirm the stressors of this new environment which are causing leasing teams to rush through presentations, skip critical parts, and deliver more generic than personal, quality interactions. This could be contributing to the customer's lack of desire to continue the sales conversation. Even in a normal setting, a leasing professional can check off all the boxes, yet not deliver a presentation that is personalized enough for the customer to continue. This takes us back to the need for leasing teams to increase their time spent with customers on virtual tours while qualifying, engaging, and presenting solutions that are specific to their customer's needs.

## The Impact of Performance in the Virtual Leasing Story

Imagine a scenario where customers are at your doorstep wanting to lease. The only effort required is to contact them, schedule an appointment, and provide a virtual leasing experience. Sounds easy, right? Not so easy. Of approximately 1,100 virtual leasing mystery shops, imagine this scenario with 14% of the customers leaving a message for the leasing office or with the call center to schedule an appointment for a virtual tour. Assume 65% of customers never received a call back from the leasing professional, and only 72% of leasing professionals that scheduled an appointment kept the appointment.

The result in this scenario is that 75% of customers who left a message were lost in the leasing process and never made contact with a leasing professional.

Total Number of Customers	1,094
• Number of Customers Who Left Messages -14%	149
• Number of Unreturned Calls - 65%	<u>(97)</u>
Remaining Customers Available to Tour	52
• Number of Leasing Consultants Who Did Not Show Up to Virtual Appointment – 28%	<u>(15)</u>
Remaining Customers	37
• <b>Lost Customers – 75%</b>	<b>112</b>

Is current performance having an impact on customer conversions? Yes. These numbers speak for themselves. Since there is no opportunity to convert a lost customer, leasing teams are left with a much smaller number of potential customers to turn into leases. While customers may be more forgiving right now, rare is the customer who will stick around through repeated experiences with poor service, especially during a pandemic. Shedding customers is something no business can afford, so the story being created *between the screens* is more important now than ever before.

While this first chapter is not what we all had hoped for, we believe the virtual leasing experience data we have been able to generate will help companies ask the right questions and make the necessary adjustments for their teams to gain confidence and deliver the best possible leasing presentation to their customers.

As companies begin to establish a plan and approach for their leasing teams to deliver an effective leasing experience, we are confident these numbers will begin to improve. Leasing teams are operating in uncharted waters – as we all are – and we are all doing the best we can with the cards we have been dealt. What we do know is that we are an industry built by amazing, resilient individuals who will battle through this pandemic and come out stronger on the other side.

This story is not over; it has just begun. There are lessons to be learned in all of this, and we are thankful to be your partner to help you through it all.

*Ellis Partners in Management Solutions*

About Ellis Partners in Management Solutions (EPMS). Ellis Partners in Management Solutions has been serving the multifamily industry exclusively for 36 years, providing the finest source for apartment mystery shopping (telephone, internet, virtual leasing, self-guided tour, and telephone/onsite with audio and video recording options) and resident surveys, as well as training resources through our partner [Edge2Learn](#). Additional support and information can be found at our [website](#).

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