

“We’ve seen an increase in traffic, and we have better close ratios now,” says Michael Dance, CFO of the Palo Alto, Calif.-based REIT. “And over time, we may be able to reduce the number of sales associates on staff.”

Outsourcing to call centers, however, is only step one. Tech-savvy multifamily firms also are carefully tracking which advertising mediums prompt prospects to call the leasing center: Did they hear about the apartment community through print advertising, an Internet Listing Service (ILS), Craigslist, even Facebook? The strategic combination of call centers and lead tracking is a surefire way to maximize advertising dollars and boost occupancies and rents, which is more important than ever in today’s tough economic climate.

Information is Power

An effective marketing campaign will lead prospects to call your leasing office,

and call centers are often the best tool to ensure that no calls go unanswered. But call centers aren’t just about building occupancy and reducing site staff. More leads can mean more pricing power too, even when there are no units left to lease.

Archstone implemented LevelOne’s call center for all of its 178 properties earlier this year and is now capturing about 98 percent of all calls. The company ran a test last year at 20 of its properties (comparing against 20 nearby control properties) to measure the effect of pairing the call center’s extra leads with its revenue management software.

In the process, it was able to overturn a hoary old chestnut of conventional thinking: Extra leads at a fully-occupied property mean nothing. Archstone was able to improve per-unit revenue by 1.5 percent at its occupied properties based on the new demand curve generated by the combo of LevelOne and revenue management

software data. That doesn’t sound like much, but at a 250-unit community with average rents of \$1,000 a unit, that’s an extra \$45,000 annually. The cost to use LevelOne’s call center at such a community averages \$9,600 annually, resulting in a return on investment of an astounding 468 percent.

The results are even more impressive when you factor in the test’s time line of January 2009 to September 2009, a tough rental environment for most apartment owners. “If it was an up market, we would’ve been able to raise revenues [even] more,” Davidoff says.

Call centers, though, handle more than just phone calls: They also offer 24-hour e-mail response services. Like many multifamily managers, Burke, Va.-based Van Metre Apartments, which uses LevelOne, sees its highest level of website traffic after 7 p.m. But for those firms that don’t use call centers, e-mails sent after 7 p.m. likely sit unopened for at least 14 hours, maybe longer. And the chances of closing on a qualified prospect decrease every hour that contact isn’t returned, says Carissa Barry, vice president of marketing for Van Metre, which owns and operates about 2,400 units, most of which are located in Northern Virginia.

“If you’re a smaller company, you’re at a competitive disadvantage by not following up on your e-mails quickly, especially in a day and age when most consumers do their research online,” Barry adds. “The AvalonBays, Archstones, Camdens all have a call center, so everyone is now available 24 hours a day, seven days a week.”

Potential Pitfalls

Still, not every company is sold on the benefits of outsourcing the call center. A couple of years ago, Camden Property Trust began using RealPage’s call center for its after-hours calls, and considered going full-force with it. But the company wanted to have greater control over the process. So in 2009, Camden rolled out a 10-person internal call center, saying that it feels its own employees could sell—and cross-sell—apartment units to prospective residents better than a third-party vendor.

Camden’s call center is open from 7 a.m. to 7 p.m.—when about 90 percent of the company’s call volume is received. It still uses RealPage to handle that additional

TRAFFIC CONTROL

Lead-tracking software helps maximize advertising budgets and even minimize on-site staffing hours.

THE KISLAK ORGANIZATION, which owns and manages about 3,100 units throughout the Southeast and Southwest, recently wanted to determine where its biggest sources of traffic come from. This past April, the Miami Lakes, Fla.-based firm purchased lead-tracking software called PopCard. The information gleaned from PopCard allowed the company to refocus its marketing efforts, and, going forward, the knowledge gives the firm leverage when re-negotiating advertising contracts.

Armed with the new data, the company reduced advertising expenses by 81 percent at one property by turning from print to Internet marketing. Additionally, Kislak reduced its advertising expenses at three other properties by 30 percent.

The software also allowed the company to better focus its on-site staffing hours. “We can track what times most of the calls come in, modify our office hours, and staff appropriately at peak hours. That’s also minimized costs,” says Dung Lam, Kislak’s CFO. Those modified office hours allowed the company to reduce its use of a third-party answering service for after-hours calls. And paper guest cards are now just a memory.

What’s more, this year the firm also began providing its leasing staff with BlackBerrys to take home at night and monitor the leasing office inbox. “The first person who replies to these e-mails gets the lease a lot of times,” Lam says. “So while we do incur a little bit of cost on the BlackBerry, our leasing associates can reply to potential residents up until 9 p.m. or 10 p.m. at night.”