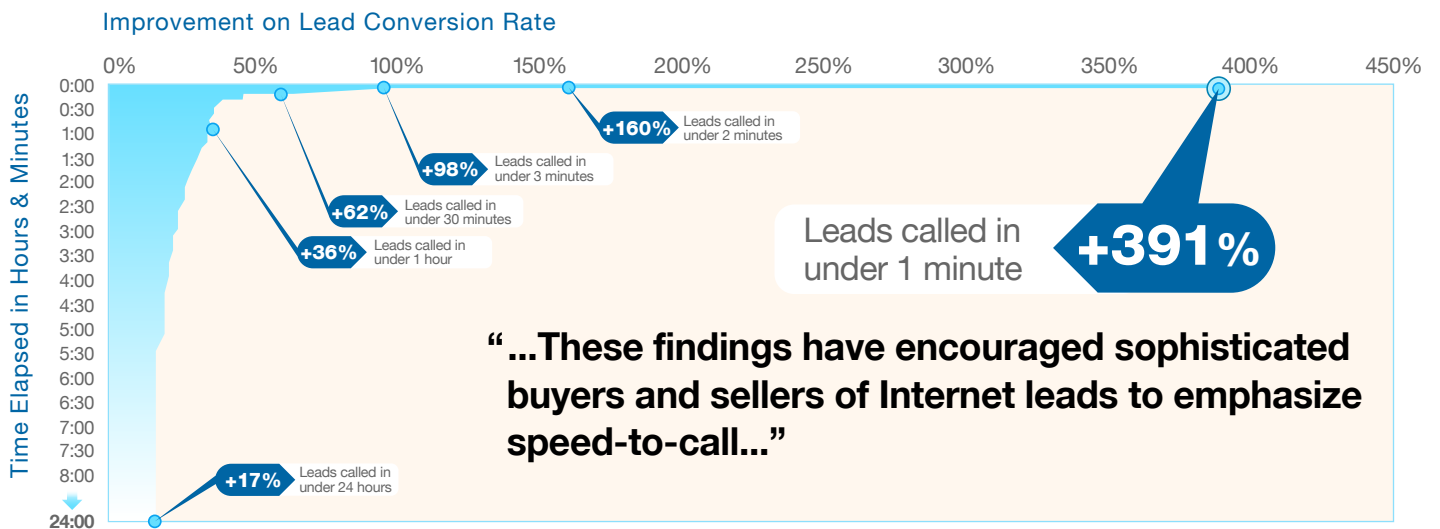# LEADS360

Beyond Qualification:

The impact of speed on lead conversion rates

EXECUTIVE SUMMARY

This new study, derived from the data of several million Internet-generated leads, breaks new ground by proving that the importance of speed-to-call in the sales process has a dramatic role in determining lead conversion rates. Speed-to-call was found to be the single largest driver of lead conversion in the first 2 minutes after the lead was generated. In fact, responding to leads within 1 minute resulted in a 391% improvement. Additionally, after missing the critical initial time window of the first couple minutes, calling within the first 30 minutes was found to increase conversion rates by an average of 62%, and calling within 1 hour was found to improve conversion by an average of 36%.

Improvement on Lead Conversion Rate

Chart: Improvement on Lead Conversion Rate (x-axis: 0% to 450%) vs. Time Elapsed in Hours & Minutes (y-axis: 0:00 to 24:00)

- **+391%** Leads called in under 1 minute
- **+160%** Leads called in under 2 minutes
- **+98%** Leads called in under 3 minutes
- **+62%** Leads called in under 30 minutes
- **+36%** Leads called in under 1 hour
- **+17%** Leads called in under 24 hours

"...These findings have encouraged sophisticated buyers and sellers of Internet leads to emphasize speed-to-call..."

BACKGROUND

Prior data analysis and research from Leads360 and unaffiliated third parties, has shown the critical importance of speed-to-call (minimizing the time before an initial call attempt is made) in improving lead qualification rates for consumer-facing organizations that rely on a consultative sales process. These findings have encouraged sophisticated buyers and sellers of Internet leads to emphasize speed-to-call in the process of contacting and qualifying leads.

RESULTS

Based on the correlation between speed and qualification alone, one cannot say with certainty that a qualified lead will eventually convert and generate revenue. From an organizational standpoint, the only factor that really matters is whether consumer leads convert at high enough rates to justify the cost of buying (or generating) those leads. The customer acquisition cost must justify the lifetime value, and acquisition costs are heavily influenced by lead conversion rates.

Our study reveals that organizations able to respond the fastest to consumers, have a nearly insurmountable conversion advantage versus those that are not. To achieve this advantage, it is necessary to ensure that every lead not called under 2 minutes will at least be called within 30-60 minutes.

(continued...)

MEMORABLE POINTS

- Leads called between 60 and 120 seconds after they were generated converted 160% more often than the average.
- If leads cannot be reached within the first few minutes, attempting contact quickly is still valuable. The study indicates that leads called within 24 hours are still 17% more likely to convert than those that are not.
- 88% of all leads that eventually convert were called within the first 24 hours. This does not imply that leads convert within 24 hours, but establishing the relationship at this juncture is critical to conversion—days, weeks, or months down the line.

These findings echo previous MIT lead response research, but place more emphasis on speed-to-call. The data also suggests that the advantage due to speed is less significant after the first 2 minutes have elapsed and is greatly reduced after the first hour.

Consumers typically listen most attentively to the first caller, and therefore build the strongest rapport. This does not imply a first call close, but initiating the first call remains a strong driver of eventual lead conversion.

Research shows that even though the consumer may go price-shopping, a sense of 'loyalty' drives them back to the vendor who called them first. By initially providing consumers with education and responsive customer service, smart companies are able to create strong social and psychological bonds that tend to override competing offers.

In today's marketplace, consumers tend to think that most products requiring a consultative sale have fairly good substitutes. For example, mortgages, insurance policies, and higher education degrees can all be provided by thousands of national competitors. Reducing friction for consumers in the sales process, including response time and the number of inquiries needed to find the desired product, is beneficial to the consumer experience, and pays dividends for both organizations and consumers.

KEY INSIGHTS

- Speed-to-call is a strong driver of lead conversion, especially within the first few minutes.

- Even leads that eventually become qualified are sensitive to initial speed-to-call.

- Receiving and reacting to leads in real-time is critical to maximizing conversion rates.

- Smart lead buyers and sellers measure reaction time to new leads in seconds, not hours.

- Achieving first contact with a prospect represents a crucial advantage that should never be surrendered.

- Leveraging automated lead distribution and dialing technology is required for high conversion rates.

ABOUT LEADS360

Founded in 2004 and headquartered in Los Angeles, Calif., Leads360 develops software as a service (SaaS) solutions for managing sales leads. Distinguished by its focus on solutions that address the unique needs of businesses who sell to consumers, Leads360 is recognized as a market and technology leader, managing more than 40 million leads for over 5,000 clients.

With a suite of solutions scaled for small to enterprise organizations, the company offers the industry's most comprehensive and configurable lead management platform.

Leads360 enables companies to distribute, track, analyze, and convert sales leads using a customizable lead management workflow. Professional services, including training and process consulting, are also offered to deliver a highly effective solution for converting sales leads. Businesses look to Leads360 for solutions that allow them to maximize their investment in leads generated online and from traditional sources, and ultimately increase sales closure rates for greater revenue.

For more information, visit www.leads360.com.