



CONNECTING THE POWER OF CREATIVE MARKETING AND HIGH TECH BUSINESS INTELLIGENCE

An interview with Arthur Kosmider, Marketing Director, LeFrak by Leslie Mizerak, PCC, SPHR

INTERVIEW

The evolution of sophisticated marketing tools combined with the mathematical genius of predictive algorithmic pricing and data leveraging business intelligence has left many a marketer feeling like they are the only crewmember aboard the Queen Mary in a hurricane. Navigating data into useful, trustworthy, relevant business intelligence is no small undertaking in this age of exploding Internet technology.



Arthur Kosmider, Marketing Director for LeFrak Organization, is such a professional. The following interview shares much of his insight and application on how he utilizes current technology tools and leadership to maintain assets at peak performance.

What analytics do you find to be the most essential when you're thinking about prime conversion?

Arthur Kosmider, Marketing Director for LeFrak Organization, currently manages 17,000 units across several distinct brands, which vary between a small walk-up in Brooklyn to expansive Newport New Jersey, a master plan community. Arthur was formerly the marketing director for StuyTown, an 11,000-unit apartment community in the heart of New York City. Previously, he was responsible for marketing a portfolio of thirty-five premium, garden-style communities nationwide.

I am a true believer of data-driven, fact based, functional marketing. Marketing is a science and leveraging BI (Business Intelligence) is no longer an option, but a perquisite to a successful marketing campaign. Every dollar spent on marketing initiatives has to be quantifiable and measurable. From the advertising benchmarks to audience research, BI has to be the cornerstone of all of our initiatives.

This is especially prevalent in

multi-family marketing. Multi-family marketing and business intelligence work closely together by utilizing data to understand how marketing decisions affect not only the performance of a specific property but also the entire portfolio. When you understand the synergy of these two disciplines, you can prioritize integration because



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without data analytics, marketing turns into a form of branding. In our industry, the main focus of marketing is highly functional lead generation effort that allows our communities to remain full and performance of the properties to be high. There are plenty of KPI's (Key Performance Indicators) out there, especially online, making it difficult to utilize them all at once. I tend to focus on four main KPI's: volume, cost, conversion rates, and lead velocity rate.

Volume is the building brick of our system. The more traffic, lead, hits, clicks, and inquiries we get – the better the overall campaign gets. Our prime job as a marketing department is to generate as much traffic as possible. Those inquiries must be quantifiable to understand the amount of traffic that we bring to the properties - is it enough to maintain our goal?

The second KPI is cost, which is probably something all marketing directors monitor closely. We would all love to have an unlimited budget with unlimited ILS spend and every possible digital platform. However, the reality is that our budgets are not limited. Instead we create a benchmark that allows us to understand how much each individual initiative will cost to drive leads and applications. For example, depending on the market, the cost-per-lead and cost-per-lease can vary.

Although a SEM (Search Engine Marketing) campaign might be generating leads at one cost, the conversion rates can be higher. There are a lot of variables to understanding conversion rates, making it crucial to understand how much these actions will cost.

Conversion rate is the third category of KPI's I look for and that one is self-explanatory. I look at three different conversion rates: leads-to-tour, leads-to-application, and tour- to-applications ratio. For example, with lead-to-tour, I compare the number of leads from a particular source to tours that the same source generated. Based on that, I determine a benchmark that is applicable across the entire portfolio and individual properties.



Lastly, one of the newer benchmarks that will be significant to multi-family in the future is lead velocity rate. A high level LVR is about two things: speed and conversion.

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Lastly, one of the newer benchmarks that will be significant to multi-family in the future is lead velocity rate. A high level LVR is about two things: speed and conversion. The time it takes for a generated lead to become a quantifiable lead, sales lead, and an actual application that ends up in our system. These velocities are gauged with several fundamental marketing objectives. You can compare sales to marketing alignment, customer experience,

and ROI. This velocity allows us to understand and identify potential issues or inefficiency in the system.

For example, if last year it took an average of ten days for a lead to become a tour and a month to become an application, however, if this year the conversion length are doubled, you can assume that there might be issues on the back end. It's important to understand how this velocity helps uncover failing efforts where added focus may improve the prospect experience and customer acquisition.

Can a Marketing Director call themselves a director of marketing without a lead management software?

I am in no position to judge what people can or cannot call themselves. In my humble opinion, it is nearly impossible to run an efficient marketing operation without a strategy centered on a CRM tool. I think of the CRM tools as the brain of my entire marketing operation. In many ways it's a centerpiece that tracks and quantifies all our efforts. Although the CRM tools will not solve all marketing headaches, it will certainly allow you to understand the environment and make informed decisions along the way.

Overall, you have to think of a CRM tool as a means to accomplishing a goal. It is a way to analyze incoming traffic, leasing operation and tangible results such as actual applications coming in, new tenants moving in, or failed prospects that are not interested in either. Having access to a proper CRM tool is the first step



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of being able to understand the environment, high volume, and lead generating operation.

The "good 'ole days" of using a spread sheet to organize leads are gone. We are dealing with high volume of inquiries per week across our portfolio. Organizing this kind of effort and gaining insight that is applied to potential follow-up opportunities would take forever without a CRM tool. We would need whole department of people doing nothing other than tracking data.

Having a CRM tool, a lead management software, allows us to quickly understand how our leasing operation and marketing efforts are going from a bird's eye view. Simultaneously, we have the ability to get information on every single point of contact and every single action being taken to see both the small and the big picture

of how our operation proceeds.

How have you refined lead sourcing tools to optimize advertising budget allocations and defined attribution?

Attribution is one of my favorite subjects in marketing. I'm a data freak and I spend countless hours doing data analysis. I love understanding how the customer journey begins from a lead capture stand point to actual conversion. I pride myself on a never-ending effort to improve transparency of our infrastructure.

We have implemented functions around our CRM tools and lead management software such as phone tracking and call recording on all lines, DNI (Dynamic Number Insertion) setups, landing pages, and microsites. In order to quantify and measure these efforts, we need to capture and assign traffic according to each source. Whether receiving a phone call or email inquiry to a contact form, we want to be able to capture that point and attribute it to the appropriate source including ILS (Internet Listing Service), an internal campaign, and even drive-by.

We have to understand the quantity and timeframe of getting these leads processed in our system. I think the ultimate quest for all marketing professionals is to understand their current efforts and needed improvements. My personal motto in the process is, "In data we trust." The more data I see in my system, the more trends and behavior I understand. It makes my life signifi-

cantly easier, especially, when the budget season comes around and the company needs to evaluate spending.

Lead attribution systems affect all of my marketing efforts on a monthly basis. We decide our spending, increases, contraction, and even source terminations based on data performance.

In our industry, there are phenomenal sources you could be working with and there are always new sources coming out with new technology that we want to implement, but in order to do so we need to be smart about spending. It's easy just to try something new and spend money without looking back. It is very difficult for anyone to make an educated decision without data and the insight that a CRM tool provides. It becomes a very rewarding experience for us to create a new campaign, set an attribution up correctly, run the



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effort the way it's supposed to be done, and then collect the data and evaluate it. Whether the effort was successful or not, you come out of that experience significantly smarter and your next efforts will be even better and more streamlined than before because you've learned something along the way through data. Marketing is a lot of trial and error. You have to be bold enough and brave enough to branch out and try something new.

What do you believe is your most outstanding management accomplishment?

It's very hard to think of a particular single initiative that I'm most proud of because multi-family marketing is a long-term game. We're not seasonal. We're not coming in for three months, fixing it and moving on to the next thing. We plan, benchmark, strategize, and maintain a portfolio with

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changes and smaller building blocks that are going in. It is slow and steady. At the end of the day, I realize that Rome was not built in a day and that all our efforts, whether it is an email initiative or a digital strategy piece, requires constant refinement. We might launch a new tool tomorrow that is great and cutting edge but we realize that six months down the road, whether it being a website or a piece of collateral produced, it is already outdated. There's something new that could be done or something that could be done better. I always pride myself on having this strategy of building blocks and constantly reevaluating and never really being happy with the final effort.

The moment you pat yourself on the back and say, "Hey, you've done it, you have an amazing marketing effort and everything is great," you're doing a disservice not only to yourself but also to the entire portfolio.

I'm never fully satisfied with what I have. I'm always looking for new ways to improve it. Overall I am very happy with the big pieces in my current environment which are definitely my dashboard and attribution system built around our CRM tool because it allows us to understand how much, I am able to proceed with future initiatives.

Being able to understand our on-line presence in terms of numbers and being able to see these numbers grow or contract in particular cases is crucial. I'm very proud of our never-ending effort to drive and improve our UX and our UI experience. As a team, we have the ultimate goal of getting in touch with our prospects on their

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terms. We want to communicate with them in the way they want to be communicated with. We want to present the information to them in a way that comes natural to them. As an organization we strive to make all our prospects feel like they are at home. For example, we have partnered with Spherexx to develop a solution to be able to text our prospects, to be able to send text messages just as easy as we are sending emails on a day-to-day basis. So far we've been very successful at being able to talk to our customers on their terms. Our on-line presence and our website are under a constant scrutiny and audit. We go in with our partners and evaluate, fix and update coding, and change the interface to stay ahead of our competition. I think creating this mentality internally with the team, that there's always a way to improve, is something that I'm really proud of because we do stretch to be on the cutting edge of technology.

I think that only when you are really reevaluating your goals are you able to capture and create an ever-growing experience. Remember, Rome wasn't built in a day.

Looking into the future of digital marketing, what do you think the future looks like?

Marketing is going to get much smarter. The big data has been around for a while, but now we are slowly getting to a point where utilizing that data does not become an option, but a necessity.

We have access to all the analytics and to a lot of data about not only our websites and our performance, but also the behavior of prospects who are visiting our sites. The more data we have available, the faster we are able to process that data, the better our marketing decisions will be and the more efficient we will become at what we do.

I think there is a never-ending arms race in terms of digital efforts. There will always be better and more sophisticated websites, sharper collateral pieces, and significantly more effort in the digital sphere. I know that print as everybody suggested before is not as active as it was before. Our marketing strategy, as a lot of other marketing strategies, is shifting to digital efforts. Digital efforts are better because of the ability to attribute and really understand the amount interactions you are going to get from that experience, as well as the tendency to constantly improve will do nothing but gain even more speed.

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A second thing that I am very excited about now is behavioral marketing, which has been a personal interest of mine for a while now. The aspect of psychology of sales is how prospects interact with you - not only online, but also offline. Starting the conversation online, then creating the experience for someone to really understand what you are offering in your portfolio, and transitioning the same conversation over to your offline efforts with your leasing team has a lot of potential. Even more so, I am looking forward to transparency in the system. As people's systems improve, we will be seeing significantly more data. Online you can already see a lot of behavioral data, a lot of profiling, abilities to target not only a particular group of audiences or prospects, but also geographical locations. I feel that in the next coming months we will be seeing more of that.

Third, social media is going to play a more and more important role in the process. Social media is no longer just a mouth piece for property management companies, but it becomes a viable communication tool. What I notice in our portfolios is that our residents are engaging with the property in the same way they would be emailing or texting us. In a lot of cases, we have to be available to our pros-

pects on social media channels. We receive a lot of responses and messages through our Facebook pages and through our Twitter channels. That is slowly but surely drifting into other areas like Yelp. We need to become more versatile in ways we communicate with our prospects and in terms of ways we make ourselves available to our residents and everyone that wants to communicate with us.

This leads me to the last point on my list. It is all about communication. Just like texting became conventional a few years ago, I anticipate new communication channels coming out that brands, properties, and multi-family professionals will take advantage of. Whether that will be a social media channel or a particular way of communicating, we need to make sure that we are able to get a consistent and clear message across to all of our potential prospects and current residents. In the world and the online marketing efforts that we are dealing with, if you're not able to communicate with your prospects on their terms at and on their time, you might be losing out.



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