Setting your goal
The most successful real estate agents know that effective lead generation is crucial to their professional success. These same agents will also tell you that goal setting is vital. So, once you’ve decided just how much money you want to make in commission this year (or in the next calendar year, fiscal year, etc.), you’ll probably be asking yourself how many leads you need in order to close enough sales to meet your commission goal.

If only it were that simple! The exact number of leads you’ll need to meet your commission goal depends on many factors, including the economy, your specialty (like short sales, vacation properties, or foreclosures), the geographic region in which you work, and your overall skill as a real estate professional.

But, once you start paying attention to your lead generation strategies, you’ll be able to recognize a few trends. First, consider the difference in the effectiveness of different types of leads. What is meant by different types of leads? There are two types: direct and indirect.

**Direct leads** are ones that are sent directly to your website. These are leads that are generated by pay-per-click ads, banner ads, search engines, personal referrals, and social media marketing. Craigslist can also be considered a direct lead source, if the ads you post link directly back to your website. Direct leads tend to have higher close rates, meaning that fewer leads are required to generate a sale.

**Indirect leads** are the second type. These are leads that you receive from pay-per-lead sites that don’t come with a lead guarantee. They also don’t send visitors directly to your website. These leads can be a little less qualified, and it will most likely take more indirect leads to close a sale.

With no magic number for how many leads you need to reach your commission goal, the best way to determine what works for you is to track your leads and sales for at least one quarter, and see how you are progressing. Review the four key components found in the box above.

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### How many leads do I need?
Setting and reaching lead generation goals

**Build a spreadsheet and keep track of four key components:**

1. **Website visits:** How many individual people have visited your website? Alternatively, you can keep track of total visits, which would tally every single visit to your site, even if it is the same people returning over and over.

2. **Captured leads:** Of these visitors to your site, how many of them registered, allowing you access to their contact information and the types of homes they’re searching for?

3. **Conversions to sales:** Of the current leads in your system, how many of them were converted into sales?

4. **Total transactions:** How many transactions did you close?
Once you’ve started keeping track of this data, you’ll find that patterns start to emerge. Perhaps you’re losing a larger percentage of leads at one specific stage in the lead conversion and purchase cycle. For example, if you have thousands of visitors to your site, but only a small percentage are registering, perhaps there’s something you can do to improve your site’s registration process, like making the registration form simpler, making sure it’s front-and-center on your home page, or ensuring that it is visually pleasing.

Take these numbers and do a little online research. You’ll find websites that offer lead generation calculators*. Plug in your numbers and find the targets you need to achieve in order to meet your goals.

As long as you’re spending time analyzing your business, it can also be helpful to calculate how much money you’ve spent acquiring each lead. Take your marketing spend for the quarter and divide it by the number of leads captured to find a price-per-lead figure. Determine what your lead generation return on investment is.

Reaching your goal

Once you’ve determined your yearly commission goal, and just how many leads it will take to reach that magic number, it’s time to really take stock of the lead generation tools that you’re currently using. Take the time to review the methods you’re using, and remember that consistency is key: the best lead generation tools are those that are consistent, time-saving for you, and cost-effective. When you are using the tools that best fit your business, leads should be coming in on a regular basis.

Regardless of whether you’re receiving mostly direct leads, indirect leads, or a combination of both, the most important component for success in lead generation is a lead-generating website with a supporting contact management system. The way that a potential customer finds your site is important, but what you do to convert them into a client once they’ve arrived is crucial. An effective lead-generating website offers benefits both for your potential customer, and for you. Your potential customer gets access to all of your listings, blog posts, and expertise; you gain their contact information and an idea of the kind of property they’re looking for.

The second piece of the puzzle is a contact management system. If you’re generating a high volume of leads every month, you’ll never be able to keep track of all of them on your own. A great contact management system not only holds on to your leads’ contact information and preferences, but it can also send marketing and messaging to specific leads at certain points in the conversion process. These automatic touch points save you time and money.

While there is no magic number that determines how many sales you’ll close in a given time period, all it takes to improve your business is some research, dedication to data collection, and an honest look at the strategies you’re currently utilizing.

Get started now

Take your business to a higher level! Determine your transaction goal and the number of direct leads you need to meet that goal, but more importantly, get the right tools that help you cultivate leads into closed transactions. With Market Leader’s comprehensive lead-to-close solution, you’ll never need to look elsewhere for your real estate products. Everything you need to capture, engage, and convert today’s online consumer is at your fingertips—in one seamless solution.

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* Market Leader Professional and Market Leader Business Suite users can access the Goal Setting tool and video in the PEAK guide, located within your Market Leader solution.