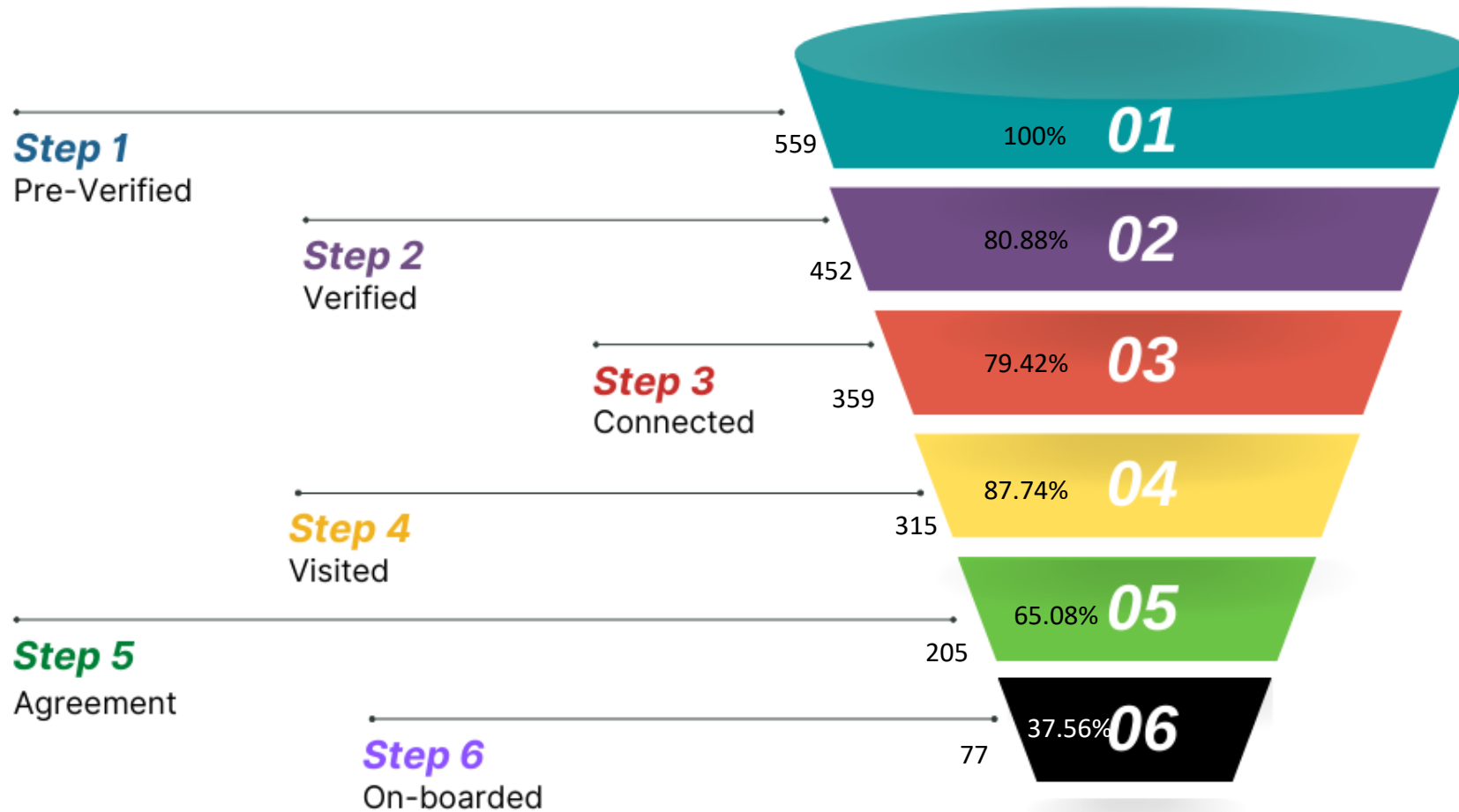# Business Insights for SAPL Sales Funnel Analysis

INTRODUCTION

- **Strent AH Private Limited (SAPL)** has recently started **chain of student hostels** across major cities in India. During admission season, they experienced major surge and created a huge number of leads; however the **lead conversion** rate was abysmally low around **13%**.

- **SAPL** aims to **investigate** the reasons behind the **poor lead conversion rate** and try to **identify the bottlenecks** to improve their business model.

- The **sales funnel analysis** shows the **funnel stages of the business**, and try to **identify the problems** at a micro-level/sub-stages level and understand the factors behind.

SAPL SALES FUNNEL

Step 1
Pre-Verified

559 — 100% **01**

Step 2
Verified

452 — 80.88% **02**

Step 3
Connected

359 — 79.42% **03**

Step 4
Visited

315 — 87.74% **04**

Step 5
Agreement

205 — 65.08% **05**

Step 6
On-boarded

77 — 37.56% **06**

INFERENCE

- Overall, **559 pre-verified** leads were created during the time period of March-April.

- From the **above total**, 452 leads moved to **verified** stage, with a conversion rate of around **81%**. This indicates that these are genuine leads and have provided and verified their contact details like name, phone number, e-mail ID, city preference, etc.

- From the **above total**, 359 leads moved to the **connected** stage, with a conversion rate of around **79%**. This indicates that a communication link has been established between the lead and an SAPL representative.

- From the **above total**, 315 leads moved to the **visited** stage, with a conversion rate of around **88%**. This indicates that the communicated leads have visited their accommodation choices in their choice of city.

- From the **above total**, 205 leads have moved to the **agreement** stage, with a conversion rate of around **65%**. This indicates that the leads who have visited the accommodation liked the property enough and are willing to strike an agreement with SAPL.

- From the **above total**, 77 leads have moved to the **on-boarded** stage, with a conversion rate of around **37%**. This indicates that the leads who have reached an agreement with SAPL have moved in to their accommodation.

INSIGHTS

- The conversion rate from **Visited** stage to **Agreement** stage sees a sharp drop of around **23%**, which is a significant number. There could be various reasons for this drop like unfavorable duration times, the accommodations are not well-equipped, the hostels are not located in close proximity to universities/colleges or there maybe other reasons. **Feedback** must be taken from the leads who dropped at the **Visited** stage to **identify the issues**.

- The conversion rate from **Agreement** stage to **On-boarded** stage again sees a significant drop of around **28%**. There could be significant factors like the rent is on the higher side, payment terms are unfavorable to students, or other reasons may be there. **Feedback** must be taken from leads who dropped at the **Agreement** stage to **identify the issues**.

FUNNEL ANALYSIS FOR RESPECTIVE CITIES
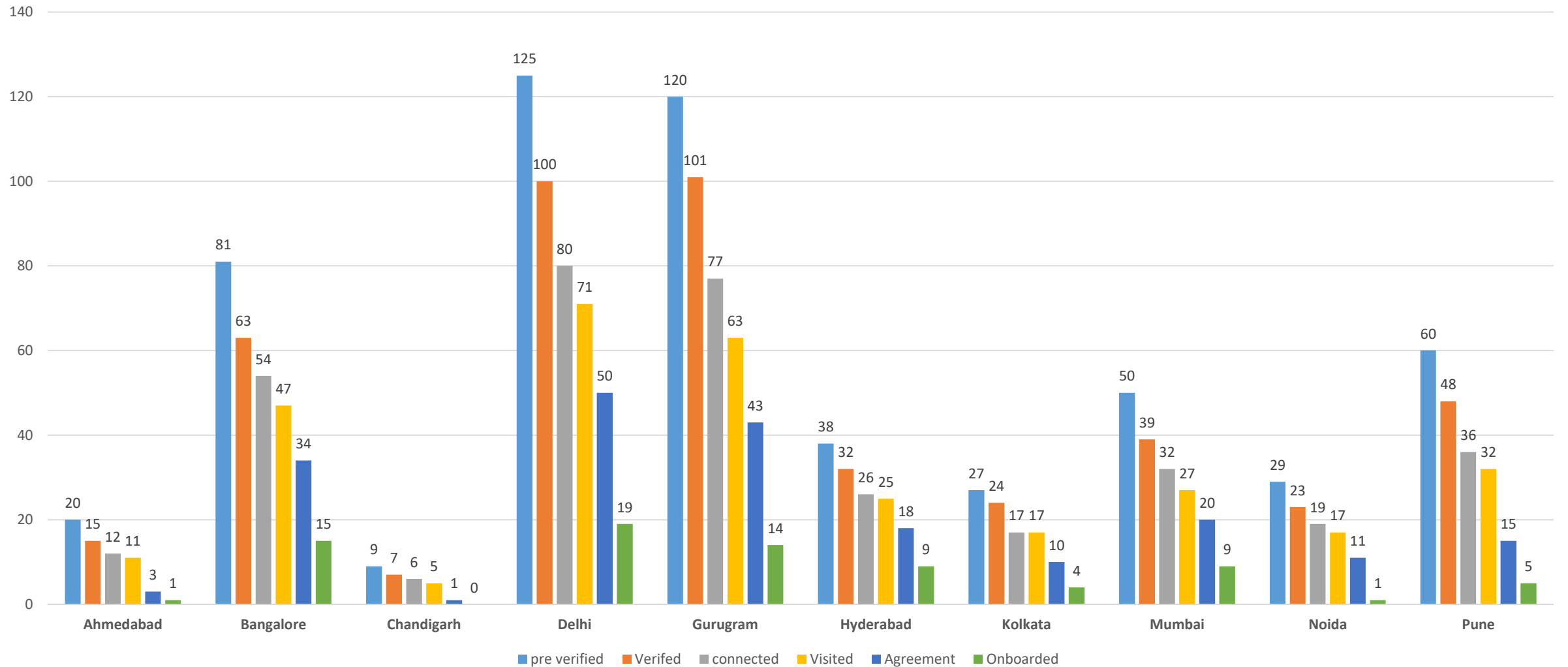
INSIGHTS

- **Delhi** and **Gurugram** generated **highest number of pre-verified leads**, indicating a strong search and demand for accommodations in these cities.

- **Delhi**, **Gurugram** and **Bangalore** showed **excellent lead conversion rate**, indicating that the accommodation facilities there meet the demands of the student.

- **Chandigarh** has the **least number of pre-verified leads**, and also no single lead converted into on-boarded student. This indicates that the city significantly lags behind the other cities.

- Other cities like **Hyderabad**, **Mumbai** generated **decent number of pre-verified leads** and their lead conversion rate is decent too, which suggest that these cities have decent accommodations.

CONCLUSION

- The **lead conversion rate** through the funnel stages of **pre-verified, verified, connected** and **visited** is **high** and this shows that there is a strong demand from students for the accommodations SAPL is providing.

- However, the **lead conversion rate** from **agreement** and **on-boarded** shows a **steep decline** and ultimately, the number of students on-boarding compared to the students during pre-verified stage shows a stark contrast, which proves that there is a **bottleneck present** at these **2 stages**.

- There could be **multitude of reasons** behind the drop and the **feedback collected** from the **dropped out leads** during these stages could provide **crucial reasons and insights**, which can help to address the issues.

- A focused, improvement plan **tailored to each city** has to be implemented as the issues may vary city-wise, and **one-size-fits-all approach may not work** to address all the potential issues.