Sales Funnel Analysis for Hostel Chain

Made By: Sukhmani Arora
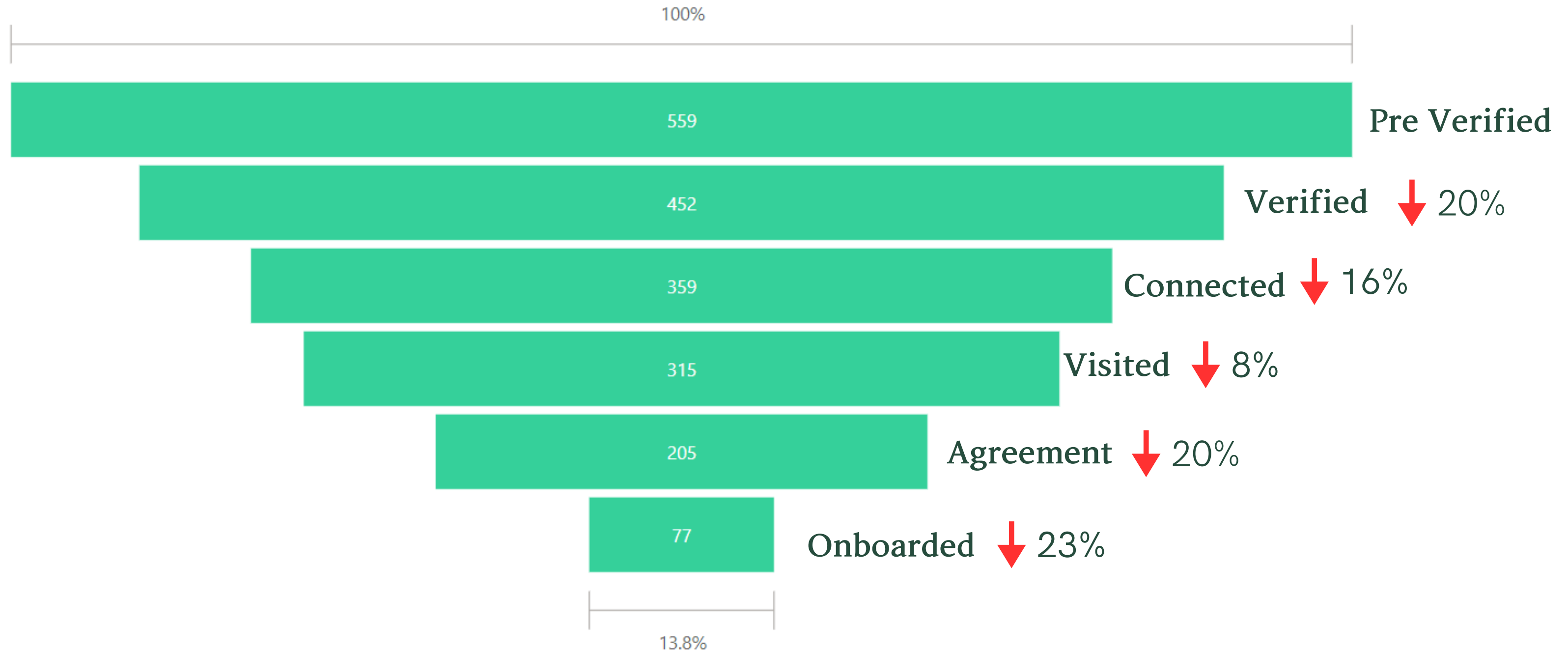
Problem Description

SAPL, a provider of student hostels in India through their Rento platform, faced a challenge during the peak admission season.

Despite a surge in web and app traffic and a substantial number of leads from diverse sources, the conversion rate of students actually joining SAPL was remarkably low at approximately 13%.

In order to enhance this conversion rate, SAPL aims to investigate and understand the factors causing this drop by analyzing the different stages of student acquisition.

Sales Funnel

100%

559	Pre Verified
452	Verified ↓ 20%
359	Connected ↓ 16%
315	Visited ↓ 8%
205	Agreement ↓ 20%
77	Onboarded ↓ 23%

13.8%

➤ A large number of lead drops can be seen after the visit and agreement stages.

➤ These stages should be observed deeply to find out the cause.

Leads over Time

➤ Initially, the leads were growing but there was a substantial drop after March.

➤ A trend shows a seasonal pattern that influences lead count.

Agreement Substages Analysis
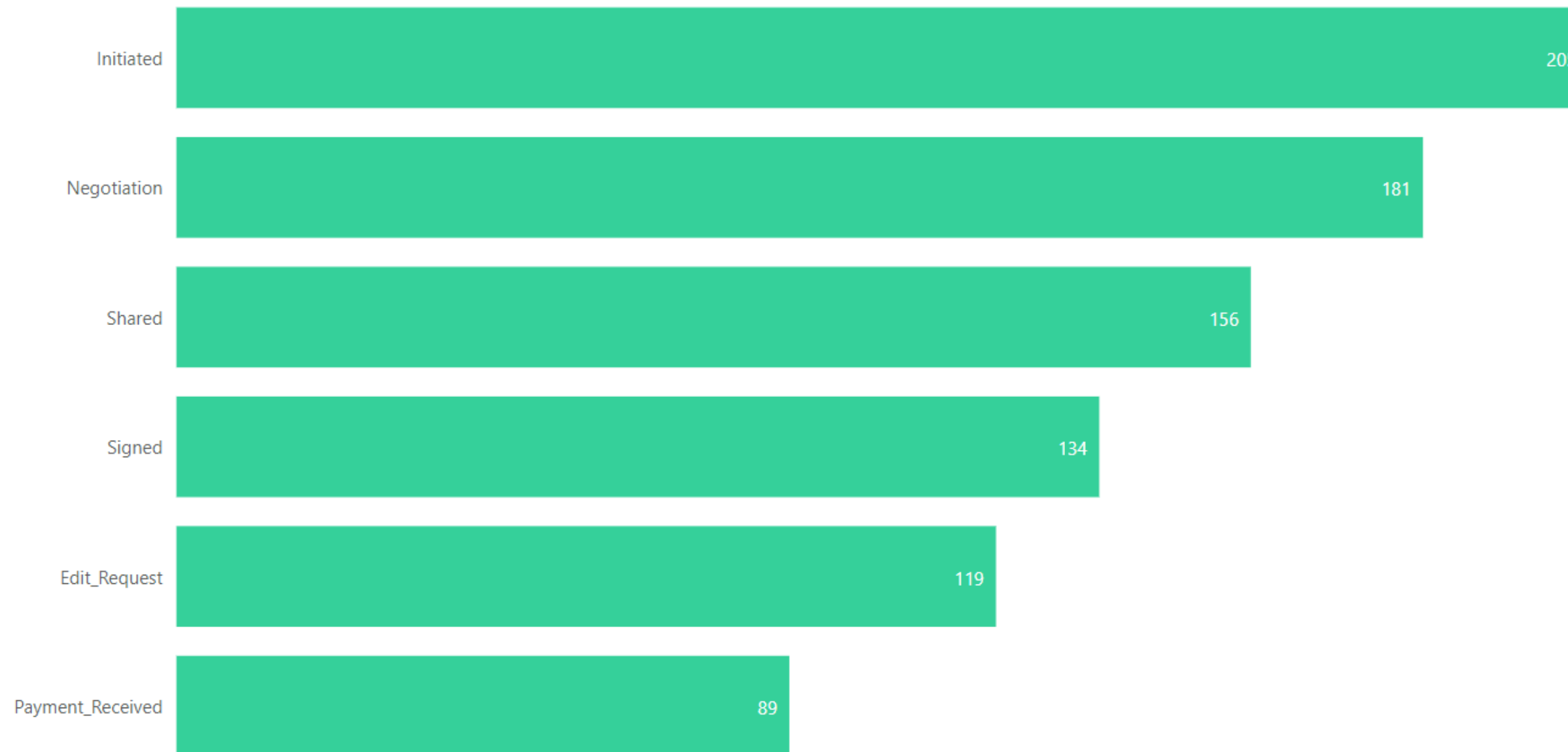
- The number of leads who have completed the payment successfully is very low.

- Negotiation substage is leading towards a large drop-off which needs improvement.

- Agreement transitions are a major cause for a low conversion rate.

Visited Substages Analysis

➤ All the red bars are highlighting the negative factors leading to low conversion.

➤ There are a large number of visits rescheduled, cancelled and missed, reasons behind this shpuld be further investigated to improve the overall process.

Lead Conversion by Region

city	Pre Verified	Verified	Connected	Visited	Agreement	Onboarded	Conversion Rate
Delhi	125	100	80	71	50	19	15.20%
Gurugram	120	101	77	63	43	14	11.67%
Bangalore	81	63	54	47	34	15	18.52%
Pune	60	48	36	32	15	5	8.33%
Mumbai	50	39	32	27	20	9	18.00%
Hyderabad	38	32	26	25	18	9	23.68%
Noida	29	23	19	17	11	1	3.45%
Kolkata	27	24	17	17	10	4	14.81%
Ahmedabad	20	15	12	11	3	1	5.00%
Chandigarh	9	7	6	5	1		

➤ Delhi, Gurugram and Bangalore shows high demand.

➤ Gurugram is having poor conversion despite of good demand.

➤ Noida and Ahmedabad has a very low conversion rate reducing overall conversion rate.

➤ Hyderabad shows a good conversion in comparison to other cities and

Conclusion

The company should focus mainly on the agreement stage (negotiation process) and visited stage (canceled, missed, rescheduled visits) to improve the overall conversion rate.

A marketing strategy is required to handle the seasonality pattern observed.

Regional demands should be observed and good efforts should be made by team for better lead conversion.

Further analysis of substages is required to identify the potential problems.