

LEAD CONVERSION CASE STUDY

Siddharth K

PROBLEM STATEMENT

An education company named X Education sells online courses to industry professionals. On any given day, many professionals who are interested in the courses land on their website and browse for courses.

The company markets its courses on several websites and search engines like Google. Once these people land on the website, they might browse the courses or fill up a form for the course or watch some videos. When these people fill up a form providing their email address or phone number, they are classified to be a lead. Moreover, the company also gets leads through past referrals. Once these leads are acquired, employees from the sales team start making calls, writing emails, etc. Through this process, some of the leads get converted while most do not. The typical lead conversion rate at X education is around 30%.

Now, although X Education gets a lot of leads, its lead conversion rate is very poor. For example, if, say, they acquire 100 leads in a day, only about 30 of them are converted. To make this process more efficient, the company wishes to identify the most potential leads, also known as 'Hot Leads'. If they successfully identify this set of leads, the lead conversion rate should go up as the sales team will now be focusing more on communicating with the potential leads rather than making calls to everyone. A typical lead conversion process can be represented using the following funnel:

As you can see, there are a lot of leads generated in the initial stage (top) but only a few of them come out as paying customers from the bottom. In the middle stage, you need to nurture the potential leads well (i.e. educating the leads about the product, constantly communicating etc.) in order to get a higher lead conversion.

X Education has appointed you to help them select the most promising leads, i.e. the leads that are most likely to convert into paying customers. The company requires you to build a model wherein you need to assign a lead score to each of the leads such that the customers with a higher lead score have a higher conversion chance and the customers with a lower lead score have a lower conversion chance. The CEO, in particular, has given a ballpark of the target lead conversion rate to be around 80%.



KEY VARIABLE INFLUENCING LEAD CONVERSION

❖ Website Engagement:

The total time spent on the website and the total number of visits are critical factors in determining the likelihood of a lead converting. Higher engagement on the website correlates with a higher probability of conversion.

❖ Lead Source:

Leads sourced from Google, direct traffic, organic search, and the Welingak website have higher conversion rates. These sources should be a focus for marketing efforts to generate more potential leads.

❖ Last Activity:

Leads whose last activity was either an SMS interaction or an Olark chat conversation are more likely to convert. This indicates that real-time and direct communication methods are effective in engaging potential customers.

❖ Lead Origin:

Leads originating from a Lead Add format show a higher propensity to convert, suggesting that targeted advertising and specific lead generation forms are effective.

❖ Current Occupation:

Leads who are currently working professionals have a higher likelihood of conversion, implying that the courses offered are particularly attractive to individuals seeking to upskill or advance their careers.

BUSINESS RECOMMENDATIONS

❖ **Focus on High-Engagement Leads:**

Prioritize leads that show significant engagement on the website. Implement strategies to increase website visits and time spent on the site, such as personalized content, interactive features, and targeted marketing campaigns.

❖ **Optimize Marketing Channels:**

Allocate more resources to marketing channels that yield higher conversion rates (e.g., Google, direct traffic, organic search, and Welingak website).

❖ **Enhance Real-Time Communication:**

Increase efforts in real-time communication methods like SMS and live chat. Train the sales team to effectively handle these interactions to maximize lead conversion.

❖ **Leverage Lead Origin Insights:**

Continue using and optimizing lead add formats that have proven effective. Analyze and refine these formats to capture even more potential high-converting leads.

❖ **Target Working Professionals:**

Tailor marketing and sales strategies to appeal specifically to working professionals, highlighting the benefits of upskilling and career advancement through the offered courses.