

Why Key Performance Indicators Are Powerful

Define, evaluate and adjust KPIs regularly to meet strategy goals and improve asset performance.

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KPIs, also known as key performance indicators, play a crucial role in multifamily. KPIs are measurements of specific activities that directly influence strategy. When leveraged correctly, they provide invaluable data and insight that can positively affect property performance and ultimately inform strategy, allowing you to make thoughtful business decisions.

A KPI is simply a measurable value that evaluates performance. One example of a KPI would be conversions from a digital ad source. This KPI may indicate effectiveness of an overall strategy. KPIs provide a combination of data points that are then used to create a unique strategy to achieve a set of identified goals.

KPIs present a piece of the picture that must be viewed in relation to the whole. When applied correctly, KPIs are extremely powerful tools that have a direct and timely impact on property performance and NOI goals and objectives.

Start With Strategy

Before determining which KPIs are right for you and your property, it's important to first

understand your strategy and business objectives. Strategy informs the types of KPIs to use by taking into consideration the specific asset, asset type, client portfolio, marketing channel, timeframe, market and business goals.

What works for a luxury high-rise lease-up in downtown Chicago in January will be different from a stable student-housing community in rural Florida in August. When you understand your strategy, you can then determine and measure the KPIs that best align.

Leading and Secondary KPIs

To start, determine the type of leading KPIs that have the biggest impact on performance related to your goals. Typically, these leading KPIs are at the bottom of the marketing funnel — the funnel measures the customer journey, from the point they hear about you to the point they complete a sale. These last-mile KPIs typically focus on conversion rates and cost-per-acquisition or revenue.

To truly have an impact, a thoughtful marketer understands there are also secondary KPIs that are important to measure because they influence performance and work to support

leading KPIs.

For example, impressions, click-through-rates and conversions would be considered secondary KPIs to digital performance while various conversion KPIs would be primary. The use of leading and secondary KPIs will ensure comprehensive performance evaluation and proper calibration of your strategy.

Let's look at an example using a digital pay-per-click (PPC) campaign. PPC means an advertiser, in this case a multifamily operator, pays to have a property ad appear above other search results on websites like Google.

If we exclusively looked at cost-per-lease as the KPI, and we did not meet our goal, does that mean the campaign for this asset in this market didn't work? Not necessarily.

The secondary KPI, which in this case could be the number of click-throughs to a website, may provide more insight into the role this marketing tactic plays in performance. Looking at a comprehensive set of leading and secondary KPIs allows us to make the best tactical decision in this scenario, saving time and money.

Multi-Touch Attribution

Considered the gold standard to determine the level of effectiveness for prospect touchpoints, multi-touch attribution gives us an understanding of how different channels (property website, social media, digital ads) in our media mix contribute to the ultimate conversion action of a signed lease, which is typically our leading KPI.

Multi-touch attribution determines the value of each customer touchpoint that leads to a conversion. According to Nielsen, multi-touch attribution is a marketing effectiveness measurement technique that takes all the touchpoints on the consumer journey into consideration and assigns a fractional credit to each so that a marketer can see how much influence each channel has on a sale.

Using the aforementioned scenario, if we measure multi-touch attribution, it may tell



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RPM Living



RPM Living owns and manages the 227-unit Atlantic on Main community in Summerville, S.C. By adding starting-rent prices to its digital ads, Atlantic on Main saw a 33 percent increase in conversions to signed leases.

us that PPC is essential to converting organic website traffic, which accounts for people who land on your website without using paid clicks.

Without PPC, we may learn that our lease conversions from the website drop significantly. Measuring traffic referrals — visits to your site from links that appear on a different site — to the property website is a secondary KPI that has now provided critical details in measuring the overall performance of the marketing campaign.

Consider the Market

Awareness of all the factors that are influencing KPIs will allow you to frame them appropriately in any given scenario. The market you're in will influence how you define your KPIs the same way the asset type or marketing channel influences KPIs.

At the individual market level, we set KPI benchmarks that provide relevant insight into performance. An example of a market-level KPI would be determining how demographic segments within any given designated market area (DMA) interact with marketing strategies and communication channels. Analyzing demographic-specific needs and habits will have an impact on where KPI benchmarks land.

The pandemic, which noticeably affected every market, is a great example of how different needs require different KPIs.

When the pandemic took place, our marketing KPIs shifted to accommodate various sales experiences, such as self-guided tours and virtual tours, thus widening the bottom of our marketing funnel.



RPM Living owns and manages Altitude in Atlanta. The 327-unit property was built in 2016. By incorporating relevant keywords in its ad copy, Altitude experienced a 54 percent increase in click-through rates. This rate is a ratio of ad clicks compared to the number of times the ad is shown.

Now, we're measuring a variety of tour types, which has opened an entirely new set of sales KPIs and benchmarks around each type of tour.

Dive into the Data

Equally as important is how you engage and apply the findings from your KPIs. Successful marketers relentlessly deepen their resources

and insights and leverage data to continuously test their efforts.

There is no set-it-and-forget-it approach to managing KPIs. The frequency and cadence for how often to assess performance will depend on the channel and KPI.

For example, you likely want to review pay-per-click KPIs on a more frequent basis — perhaps every week — because this type of marketing tactic yields immediate impact as opposed to search-engine-optimization (SEO), which can be evaluated less frequently because the impact is demonstrated through longer lead times.

As marketers, it is our responsibility to proactively manage efficient ROI through strong performance. KPIs do just that.

It's important to note that if something isn't working, it doesn't mean you need to completely pivot. KPIs provide us with key intel to finely tune our strategy and determine which levers to pull and when. Sometimes simply adjusting the spend level, messaging or creative is enough to make a big impact. When something's not working, take a pause, watch it more closely and tweak as needed.

Being agile is a critical differentiator in the multifamily industry, where unknown factors and changes are bound to occur. This, paired with a thoughtful strategy with long-term goals in place, is an invaluable combination. ●



Olmsted Savannah, located in Savannah, Ga., was built in 2021 and contains 163 units. RPM Living, which developed, owns and manages the property, experienced a 44 percent increase in the property's website clicks by adjusting its bidding strategy on specific keywords. Bidding refers to how much a property manager is willing to pay when a customer searches a specific keyword and clicks on the property's ad.

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