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# The click that goes nowhere: Realty's growing lead-to-sale gap

By Sandhi Sarun

Six developers break down where the digital journey loses potential buyers, as rising acquisition costs put greater pressure on lead quality and conversion.

You check the price of that new apartment coming up next to your house. Maybe you watch a 20-second walkthrough on Instagram. Perhaps you search the project on Google, click on a property portal link, or just pause a little too long on a YouTube ad. Suddenly, the flat seems to follow you everywhere. Retargeting kicks in. Your Instagram feed fills up. WhatsApp messages arrive. You see the same project on other sites, perhaps even on a hoarding on your way to work.

For the developer, that is a successful first step: you have entered the funnel. But have you entered the market as a buyer? That is the question increasingly confronting real estate marketers as performance marketing becomes a bigger part of the home-buying journey. Digital tools can identify, retarget and nurture potential buyers with more precision than before. But the volume of enquiries generated at the top of the funnel does not necessarily translate into movement at the bottom.

Across conversations with real estate marketers, the issue is not simply whether digital works. It is what happens after it works. Enquiries may be easier to generate, but a sizable share can fall away before a site visit, while another portion can drop out after the visit and before a booking. As acquisition costs rise, marketers are looking beyond cost per lead towards qualified leads, site visits, bookings and ultimately revenue contribution.

"The problem was never getting enquiries; it's getting people from enquiry to an actual site visit," said Ankur Parmar, Chief Marketing Officer, Mahindra Lifespaces. Parmar said digital marketing spends are growing 20-30% year-on-year, partly because instant lead forms and hyperlocal targeting make it easier to generate enquiries. He argued that better lead scoring can bring site-visit no-shows down from an industry norm of 30-40% to under 20%, which, by his estimate, can lift bookings by a minimum of 10-15% without adding a new lead. The implication is less about generating fewer leads and more about understanding which ones have a realistic chance of progressing.

## The first leak: a click is not intent

Real estate has borrowed heavily from e-commerce because the targeting machinery works. Retargeting can bring a prospect back into the conversation; hyperlocal targeting can identify audiences around a project's micro-market; AI can help with recommendations and lead scoring; and WhatsApp can keep the conversation moving. But those tools can also reward the easiest action to measure: the form fill.

Piali Dasgupta Surendran, Vice President - Marketing, Sattva Group, said campaigns can end up optimising for people most likely to fill a form rather than those most likely to buy a Rs 2 crore home. While this drives volumes, the strategy does not necessarily result in bottom-funnel results such as an increase in site visits, and eventually conversions. She said lead-to-booking conversions remain around 1-1.5% for most large real estate companies, and that more leads do not necessarily mean more walk-ins or conversions.

Rushabh Shah, Chief Marketing Officer, Rustomjee Group, makes a similar distinction between an enquiry and an opportunity. "The biggest mistake is to optimize for the easiest metric, which is usually leads," he said. "The more

important question is not 'How many leads did we generate?' but 'What did those leads ultimately contribute to the business?'" At Rustomjee, behavioural signals are increasingly used to understand that difference. A consumer who has watched three videos, spent three minutes on the website, explored floor plans and returned to a project page is demonstrating a very different level of interest from someone who has simply submitted a form. The shift is from counting actions to interpreting them.

Sumeet Chunkhare, Chief Marketing and Communications Officer, SOBHA Ltd, said AI-led audience targeting, hyperlocal campaigns, retargeting, WhatsApp engagement and CRM automation are most effective when used for discovery, qualification and nurturing rather than as substitutes for human interaction. "The eventual purchase remains a consultative and relationship-led decision," he said.

### The second leak: enquiry to site visit

The transition from digital interest to a physical interaction is another significant filter in the journey. Suneet Singh, CMO, Whiteland Corporation, said lead volume has grown faster than lead quality. Instant forms and performance campaigns can generate large numbers of enquiries, but a significant proportion can be curiosity-driven rather than backed by genuine purchase intent.

> **Suneet Singh, CMO, Whiteland Corporation**
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> It is not unusual for 70-80% of raw digital leads to fall away at this stage, between the enquiry and the site visit. The size of that drop-off means a lead generated cheaply at the top may have little bearing on the eventual cost of acquiring a buyer.

Sidharth Chowdhry, Managing Director, Dalcore, similarly said the focus is shifting from lead volumes to lead quality. "The biggest drop off often happens between the initial enquiry and a meaningful interaction such as a site visit," he said. That changes the questions being asked of a campaign. Instead of looking only at how many enquiries it generated, marketers increasingly want to know how many were qualified, how many turned up and how many eventually converted.

At Mahindra Lifespaces, Parmar said the company tracks cost-per-quality lead, cost-per-site-visit and cost-per-booking rather than just cost-per-lead. The same shift is visible at SOBHA. Chunkhare said marketers are moving away from evaluating campaigns solely on cost per lead towards cost per qualified lead, cost per attended site visit, cost per booking and overall revenue contribution.

### The leak does not stop at the site visit

Getting a prospect to the site is a meaningful step, but it does not necessarily bring the funnel to its end. There is no single point at which a lead simply becomes a buyer. Dasgupta Surendran said customers may continue researching the developer, checking RERA information, seeking opinions from online communities and involving family members before deciding whether to proceed. She described "VDNB (Visit Done Not Booked)" as a popular CRM bucket for the drip marketing that follows.

There is also another drop-off point before the visit. A customer may fill out a form, speak to the pre-sales team and schedule a visit, but ultimately not turn up. That makes the journey less linear than a conventional performance dashboard might suggest. A lead can move forward, stall, return, involve other decision-makers and re-enter the journey later.

Shah argued that this is why the technology layer needs to be connected to the wider customer journey rather than treated as a lead-generation machine. "The tools work very well, but the playbook cannot be copied wholesale," he said. "E-commerce is fundamentally about reducing friction and convenience, often in a relatively short purchase journey. Real estate, particularly at the Rs 2 crore-plus level, is a high-involvement, high-value decision

that can take months." The role of digital, in his view, is to understand intent and progressively make the journey more relevant, rather than simply drive another inquiry.

### The price of finding a serious buyer

The economics of filling that funnel are also changing. Piali said customer acquisition costs have increased considerably on digital, with CPMs and CPCs rising by around 20% on Meta and 8-9% on Google, on average. Newer advertising environments such as Reddit and OpenAI are currently more expensive on CPCs than Google and Meta, while their targeting options and formats continue to evolve. That is pushing marketers towards the platforms they already understand. Real estate marketers are largely playing it safe, allocating a majority of their digital budgets to Google and Meta, with a large portion going to demand-generation ads.

Launch-phase campaigns may use DV360 for awareness and visibility, while developers also allocate spends to property aggregators and portals. Depending on monthly lead requirements, some plans include affiliate marketing, with 15-20% of overall digital spends allocated to it. The important change is not simply where the money goes. It is what marketers expect that money to deliver.

Singh said customer acquisition costs have been steadily increasing as developers compete for increasingly similar audiences, particularly the finite pool of serious buyers with the purchasing power for premium homes.

> **Suneet Singh, CMO, Whiteland Corporation**
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> A cheaper lead is not necessarily a better lead.

Shah takes that distinction further. "In real estate, the cheapest lead is very often not the cheapest customer," he said. He gives the example of a Rs 500 lead versus a Rs 2,000 lead. The cheaper lead may appear more efficient until the more expensive lead proves significantly more likely to visit, engage and eventually transact. "So our thinking is moving from cost per lead to cost per qualified opportunity and ultimately to revenue contribution," Shah said. That changes budget allocation too. He does not see a fixed split between brand and performance. Performance can harvest existing intent while brand building creates future intent.

### Can real estate optimise its way out of the leaky funnel?

For Chowdhry, there are limits to how far digital and data can take a premium homebuyer. "Real estate remains a people business, particularly at the premium and luxury end," he said. "Data can help us find and reach the right customer, but personal engagement and physical experience help us build the confidence required for a decision of this magnitude."

That leaves developers with a more complicated equation. They may know who clicked, responded, returned or dropped off, without necessarily knowing what will make that person buy. In a category where the journey can stretch across site visits, family discussions, financing and repeated evaluation, sometimes for months, better data may make the funnel more visible. Whether it makes the funnel less leaky is the harder question.