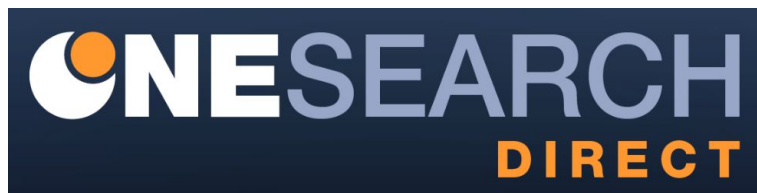


Tonic Works

Instant Website Conveyancing Estimate Tools - Impact Study

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Conducted with the kind support of:





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Background

In December 2016, the Competition and Markets Authority (CMA) published its final market study report¹ into the supply of legal services in England and Wales. The CMA found that competition in legal services was not working well for individual consumers and small businesses. The CMA recommended a raft of measures to improve competition, one of which was to ask the regulators of legal services to revise their regulatory requirements to set a new minimum standard for disclosures on price and service.

In response to the study, in September 2017, the Council for Licensed Conveyancers² (CLC) along with the Solicitors Regulation Authority³ (SRA) and the Chartered Institute of Legal Executives⁴ (CILEx) proposed a framework for the firms they regulate to provide an accurate cost estimate for sale and purchase conveyancing transactions. The framework suggests law firms publish a schedule of fees or provide an instant conveyancing estimate tool on their website in order to produce a transparent cost estimate for consumers.

Many stakeholders in law firms have expressed concerns over publicising their prices through their websites, with the main concern being that publishing prices would lead to a ‘race to the bottom’ in fees. They were also concerned these estimates lead to people comparing firms based solely on price, without taking into account other indicators such as quality of service and the firm's record with respect to the number of complaints a firm has received in relation to the volume of property transactions it has conducted in the past. Some stakeholders remarked that if they were to publish prices through their website they would not get the same opportunity to ‘sell’ the benefits of their firm when a client telephones them for a estimate. These stakeholders would rather consumers called them to request a fee estimate so that they can speak to them about the service itself before discussing the costs.

According to research published by the Legal Services Board⁵ (LSB) in November 2017 in *Prices of Individual Consumer Legal Services 2017*⁶ only 11% of firms currently advertise any prices for

¹ Legal services market study - <https://www.gov.uk/cma-cases/legal-services-market-study>

² Council for Licensed Conveyancers - <http://www.conveyancer.org.uk/>

³ Solicitors Regulation Authority - <https://www.sra.org.uk/>

⁴ Chartered Institute of Legal Executives - <https://www.cilex.org.uk/>

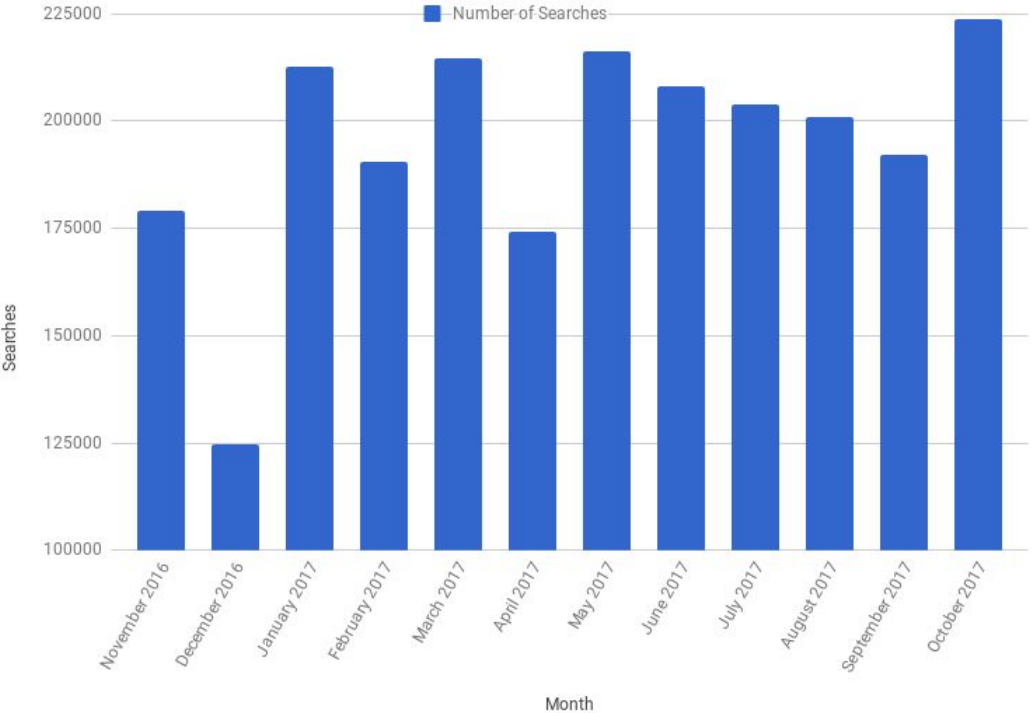
⁵ Legal Services Board - <http://www.legalservicesboard.org.uk/>

⁶ Prices of Individual Consumer Legal Services 2017 - <https://research.legalservicesboard.org.uk/news/latest-research-17/>

conveyancing services on their website, and although 9% were planning to start advertising prices, 74% had no current plans to do so.

Around 195,000 searches take place through Google each month in England and Wales in relation to conveyancing. Figure 1 shows the search volumes between November 2016 and October 2017. Many of these searches will not be from people actively looking to choose a conveyancer. For example, there are around 27,000 searches each month for the term 'conveyance' alone, and 1,900 per month for the search term 'what is conveyancing?' - from which we cannot infer the intent of the person searching. In addition, this figure includes people searching for big brand names, who may simply be customers looking for the website of their conveyancer so they can find their contact details.

Figure 1 - Number of Google searches per month in England and Wales using conveyancing related search terms



To highlight what the most popular search terms are, Appendix 1 shows the average monthly search volumes between November 2016 and October 2017 through Google for the top 30 conveyancing related search terms for searches performed in England and Wales. The top search being 'conveyancing solicitors' with 8,100 searches per month, followed by 'conveyancing fees' with 5,400 searches and 'conveyancing quotes' with 2,400 searches. Outside of the top 30, many searches are from people looking for a conveyancer in a particular location, highlighting

that many consumers are either unaware that they do not have to use a local conveyancer, or that they would prefer to use someone local.

The Google search volumes demonstrate that consumers are already going online to find conveyancers and investigate conveyancing costs. As a result, conveyancing is an area of law where regulators of legal services can make a concerted effort to implement the CMA's recommendations, and identify whether the required changes have an impact on consumer choice and competition within the conveyancing market.



Objectives

Publishing prices for conveyancing on law firms websites is likely to become compulsory in 2018. This research has been undertaken in order to investigate the impact website conveyancing estimation tools have on meeting the needs of online consumers and the processes by which law firms currently secure instructions through their websites.

The objective of the study was to identify whether the presence or absence of an instant conveyancing estimate tool on a law firm website had an impact on the number of enquiries, and the number of instructions a law firm receives through their website.

Method

In order to undertake our study we created an entirely new legal brand. We believed that having a new brand was the best approach, as otherwise any study could have been biased by the consumers familiarity with an existing brand, for example because:

- a friend recommended a given law firm;
- they had used a particular firm in the past, or;
- the online reviews about a firm were so good as to influence a consumer to be more driven to get a fee estimate or instruct a given firm than they otherwise would have been.

The brand we created was Smooth Move Conveyancing, a website with two user experiences - one with an instant conveyancing estimate generator (the Estimate Version) and another with only a contact us form (the Contact Version).

Contact Version

- Contained general content about why you should choose Smooth Move to undertake your conveyancing
- Homepage call to actions requested the consumer to call, email or use the contact us form in order to contact the law firm for a conveyancing estimate
- The phone number and email address used were unique to this version
- Enquiries made through the contact us form were logged against this version

Estimate Version

- Homepage call to action was '*Get a conveyancing quote instantly*'
- An additional menu item was added '*Get a free quote*'
- An instant conveyancing estimate form
- Otherwise contained identical content to that of the Contact Version
- The phone number and email address used were unique to this version
- Enquiries made through the '*contact us*' and '*instant conveyancing estimate*' form were logged against this version

Screenshots of the homepages of both versions as they were viewed on a desktop, tablet and smartphone are contained in Appendix 2.

Once both versions had been created we built a Google Adwords⁷ campaign in order to drive traffic to the website. The campaign was created in such a way that traffic was split evenly between both versions of the website.

The study took place between Wednesday 8th - Tuesday 28th November 2017. We ran the study over a period of three full weeks with adverts running 24 hours a day, seven days a week and traffic being split equally between the two website versions during that time.

This was to ensure that there would be no bias due to the time of day the visitors went to the site (offices being closed outside of working hours) and day of week (consumers tend to view properties at the weekend and as a result are more likely to look for a conveyancer at the beginning of the week).

Google Adwords was used because the Google search engine (against which the Google Adwords adverts appear) is the most widely used search engine in the UK, with estimates of market share ranging from 83%⁸ to 90%⁹. As we previously mentioned in the Background section, around 195,000 searches take place through Google each month in England and Wales in relation to conveyancing, providing us the opportunity to offer the Smooth Move brand to the consumers performing those searches.

⁷ Google Adwords - adwords.google.com

⁸ Statistica -

<https://www.statista.com/statistics/280269/market-share-held-by-search-engines-in-the-united-kingdom/>

⁹ Statcounter - <http://gs.statcounter.com/search-engine-market-share/all/united-kingdom>

Results

Table 1 shows that 148 consumers visited the Contact Version of the website, and 149 consumers visited the Estimate Version. Table 2 shows that the Contact Version generated six unique enquiries whilst the Estimate Version generated 51 unique enquiries. Table 3 shows the number of instructions that resulted from the enquiries, with no instructions from the Contact Version and two instructions coming from the Estimate Version.

Table 1 - Visitors directed to each version of the website

| Version | Advert Impressions | Number of visitors to the version resulting from the advert |
|------------------|--------------------|---|
| Contact Version | 7316 | 148 |
| Estimate Version | 7401 | 149 |

Table 2 - Enquiries generated through each version of the website and by what method

| Version | Number of visitors | Phone Enquiry | Email Enquiry | Enquiry Form | Callback requests | Estimate Form | Unique Enquiries* |
|------------------|--------------------|---------------|---------------|--------------|-------------------|---------------|-------------------|
| Contact Version | 148 | 4 | 3 | 2 | 0 | N/A | 6 |
| Estimate Version | 149 | 0 | 3 | 1 | 1 | 51 | 51 |

**some consumers made contact through more than one method*

Table 3 - Instructions generated through each version of the website

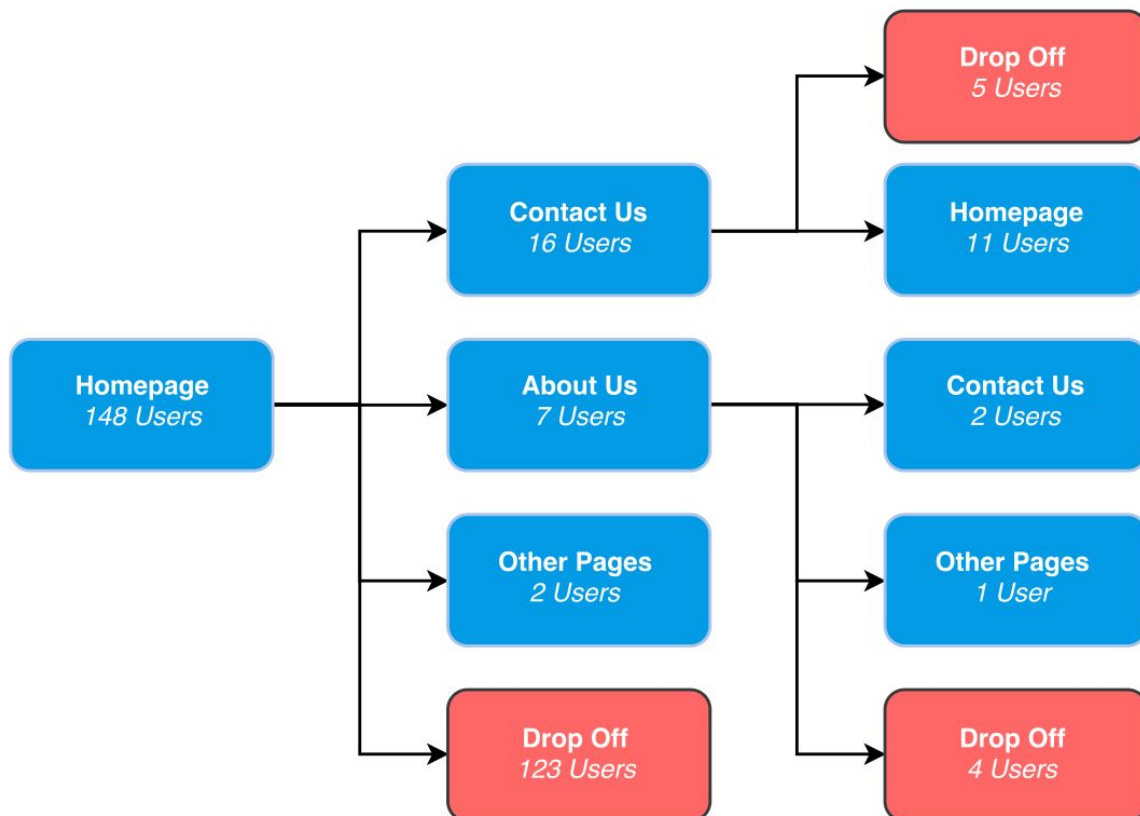
| Version | Total Enquiries | Total Instructions |
|------------------|-----------------|--------------------|
| Contact Version | 6 | 0 |
| Estimate Version | 51 | 2 |

Google Analytics¹⁰ shows that after navigating across three pages of the website, consumers had either made an enquiry or left the website. As there very few pages to the website this is not particularly surprising. Figure 2 highlights the journey users took through the Contact Version, whilst Figure 3 highlights the journey through the Estimate Version.

The bounce rate¹¹ of the Contact Version was 83%. 123 out of 148 consumers visiting the Contact Version of the website moved on straight away, whilst those that remained headed over to the 'contact us' page (16 consumers) or 'about us' page (7 consumers), resulting in the six enquiries.

For visitors to the Estimate Version of the website, there was a bounce rate of 26% with only 38 consumers leaving the website straight away. Out of the 111 consumers who didn't leave, 99 moved straight to a fee estimate form page, whilst only 12 consumers took a look at the 'contact us' or 'about us' pages before doing so.

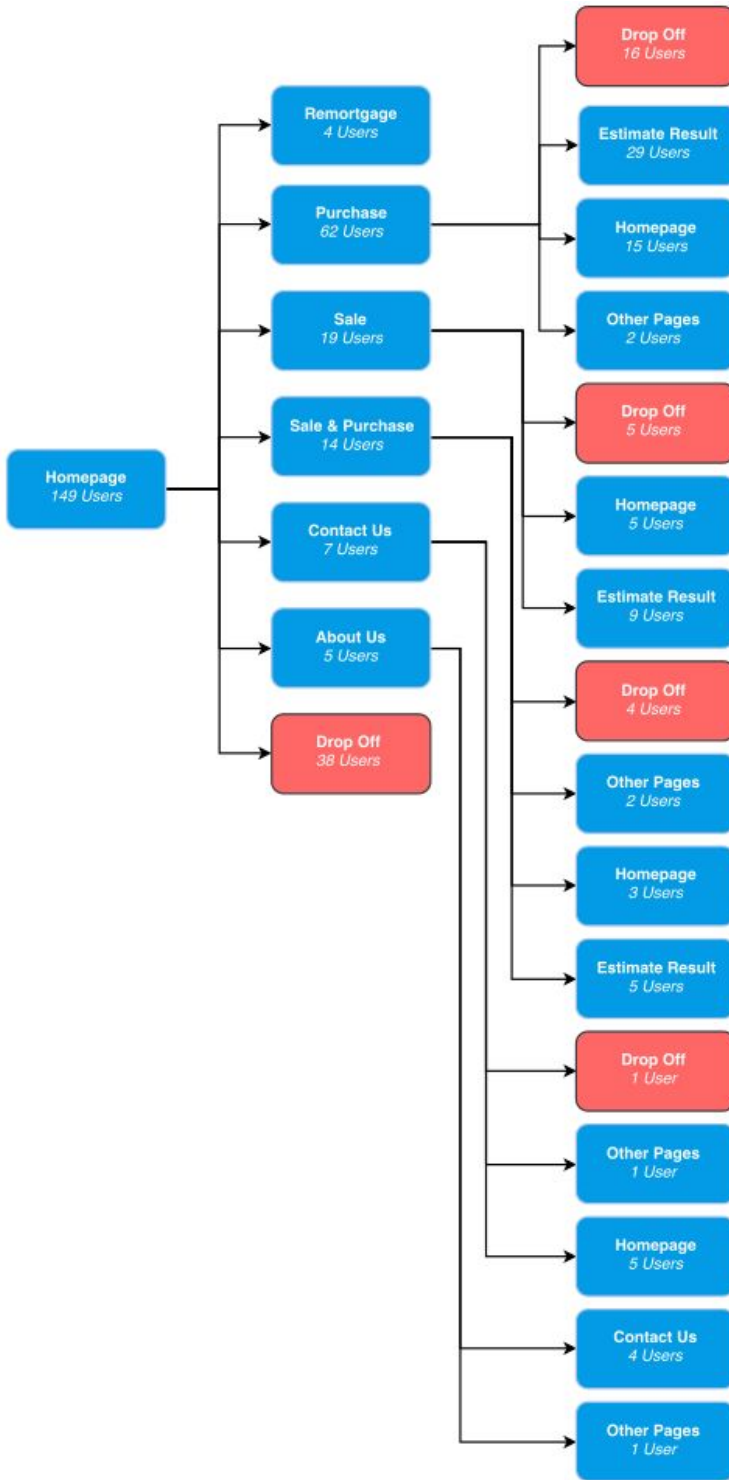
Figure 2 - Consumer user journey through the Contact Version



¹⁰ Google Analytics - <https://analytics.google.com/>

¹¹ Bounce Rate - the percentage of all sessions that took place on the website in which users viewed only a single page

Figure 3 - Consumer user journey through the Estimate Version



In order to generate visitors to the website we used Google Adwords, a paid search advertising solution provided by Google which allows companies to place adverts above Google's natural search results. Table 4 shows the spend applied to each version of the website, the cost to generate one visitor to the website and the resulting cost per enquiry.

Table 4 - Cost per enquiry generated through each version of the website

| Version | Total Adwords Spend | Number of Visitors | Cost Per Visitor | Total Enquiries | Cost Per Enquiry |
|-------------------------|----------------------------|---------------------------|-------------------------|------------------------|-------------------------|
| Contact Version | £915.46 | 148 | £6.19 | 6 | £152.58 |
| Estimate Version | £909.59 | 149 | £6.10 | 51 | £17.84 |

Discussion

The results of our study clearly indicate that having an instant conveyancing estimate tool on a website generates a much larger volume of enquiries than having a website without a tool, when a given consumer is actively looking to buy conveyancing.

Table 5 shows the percentage of visitors who went on to make an enquiry through the website (the enquiry rate). With an enquiry rate of 34% through the website version containing the estimate form compared to 4% through the contact version, our study shows over an eightfold increase in the number of enquiries resulting from a website offering an instant fee estimate.

Table 5 - Visitor to enquiry rates through each version of the website

| Version | Number of Visitors | Total Enquiries | Enquiry Rate |
|-------------------------|---------------------------|------------------------|---------------------|
| Contact Version | 148 | 6 | 4% |
| Estimate Version | 149 | 51 | 34% |

Our results demonstrate that firms will miss out on a large number of enquiries by not offering an instant fee estimate. While a strong brand message may help overcome this weakness, an instant fee estimate tool elevates a website to the current standard consumers expect from a firm offering conveyancing services through its website.

Our study made use of one method of driving traffic to our website, Google Adwords. Google Adwords is a very competitive marketplace through which to launch a new brand. Brands competing for customers in this fashion tend to have excellent 'star ratings' within their advert, along with a number of reviews from past customers. In qualitative research conducted on behalf of the CMA, most individual consumers said they regularly drew on customer reviews of products and services when assessing quality on a general basis. Given the choice between a firm with reviews and one without, we expect most consumers would choose the firm with reviews.

Providing an instant quotation in the Google Adwords marketplace is commonplace. As a result, it may be expected that the Contact Version would not perform well against brands offering an

instant estimate. All conveyancing firms who receive website traffic through Google are competing against these websites.

It is possible that attracting consumers to a law firm website at a different stage of the buying cycle (for example as early as the searches for '*what is conveyancing?*') could lead to building a level of trust with a given consumer, and that they may then return to the firm later to instruct. Looking at the habits of consumers from earlier in their property transaction would be an interesting follow up study.

With respect to the number of instructions received by the firm, we were surprised by the relatively low conversion rate between enquiry and instruction on the enquiries generated. All enquiries generated through the website were passed to a reputable law firm to follow up. We believe the firm's own brand, with support from their strong testimonials from past customers (inline with competing services on Google) would produce a much higher conversion rate.

We believe the core limitation to our study was the time of year it took place. The study was conducted through early November 2017, a time of year that is historically poor for conveyancing instructions. Consumers are often budgeting conveyancing costs for a house move in 2018, rather than being in a position to instruct. Had we conducted this research at a time of the year which is historically more popular for moving house, we may have seen a higher number of instructions from the enquiries.

Another limitation that may have contributed to the low instruction numbers could be attributed to the lack of reassurance the website offered in terms of past customer reviews and being clear about the knowledge and experience of the firm. A followup study looking at the difference between a conveyancing website that 'sold' the benefits of firm, and one that did not would be interesting to undertake, especially with the CMA recommending that law firms make better use of customer reviews.

The quotation form used in the study required consumers to input and verify their contact information. This approach ensures that the law firm has valid contact details for the consumer, but it reduces the total number of people obtaining a fee estimate. Studies have shown that asking for a phone number within an enquiry form can have a detrimental effect on conversion rates¹². Requiring the consumer to provide their telephone number when requesting a fee estimate means that the firm can call the consumer later to discuss their quote. Without this information they must rely on the consumer choosing to instruct the firm on the basis of their

¹² 3 Form Fields That Kill Landing Page Conversion Rates - <https://blog.hubspot.com/blog/tabid/6307/bid/6748/3-Form-Fields-That-Kill-Landing-Page-Conversion-Rates.aspx>

estimate and the information provided on the firm website (and elsewhere such as independent reviews). Some law firms who use Google Adwords extensively as part of their new business generation strategies have taken the approach of not making these fields mandatory. This ultimately means more consumers generate fee estimates, but they only receive enquiries from people who are keen to find out more about the firms service or may be ready to proceed - this acts a method of pre-screening enquiries, ultimately meaning the firm needs to devote less resources to following up the enquiries.

The Office of Fair Trading (OFT) reports that the typical referral fee paid to an estate agent by a conveyancer is around £250-£300¹³. In its Call for Evidence Improving the home buying and selling process¹⁴, the Department for Communities and Local Government posed two questions with respect to referral fees:

1. *"Should the government take further action to enforce current transparency regulations regarding disclosure of referral fees? If so, what action should be taken?"*
2. *"What would the impact be of banning referral fees?"*

In their responses to the call for evidence, both the Law Society of England and Wales¹⁵ and the Council for Licensed Conveyancers¹⁶ suggested that government should introduce greater regulation for Estate Agents with respect to disclosing referral fees, with the Law Society noting that *"we are aware anecdotally of estate agents who do not sufficiently disclose referral fee information"*. If it became a regulatory requirement for Estate Agents to disclose their referral fees, consumers may be unwilling to pay a referral fee of £250-£300.

Consumers who did not wish to pay a referral fee to an Estate Agent may choose to go online to find a conveyancer, meaning that:

1. Conveyancers that are currently reliant on estate agent referrals for the majority of their conveyancing work may find the volume of work coming from these sources is reduced
2. The number of consumers going online to shop around for a conveyancer will increase, making it imperative that your firm is able to meet consumer expectations when they visit your website.

¹³ OFT, Home buying and selling: A Market Study, February 2010 OFT 1186, p128.

¹⁴ Call for Evidence Improving the home buying and selling process
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/653789/Home_buying_and_selling.pdf

¹⁵ Improving the home buying and selling process - Law Society response
<https://www.lawsociety.org.uk/Policy-campaigns/Consultation-responses/improving-the-home-buying-and-selling-process/>

¹⁶ Improving the home buying and selling process - Response by the Council for Licensed Conveyancers
<http://www.conveyancer.org.uk/CLCSite/media/Consultation-Responses/CLC-Response-to-DCLG-Call-for-Evidence-Improving-the-home-buying-and-selling-process-20171214.pdf>

As reported in the results of our study, the cost to generate a single enquiry through the estimate version of the website was £17.84. When compared to a referral fee of £250, it is possible to see how law firms can and do successfully generate direct instructions through their websites using estimate generators at a lower cost than buying in cases from referrers.

The design of the fee estimate generator used also plays an important part in how useful the tool is to both the conveyancing firm and the consumer. The estimate tool used in our study provided additional guidance to consumers where they might need it (for example explaining the difference between freehold and leasehold properties and signposting the consumer to where they might obtain the answer to this question if they were unsure). Providing guidance to the consumer whilst they complete the estimate form ensures that the fee estimate provided is as accurate as possible from the outset. This reduces the likelihood of the consumer being surprised or upset by their legal fees increasing at a later stage in the process because the information requested at the estimate stage was not sufficiently thorough. For the conveyancer, this means that their client has a clear understanding of the costs from the outset, and that they do not have to go back and recalculate or renegotiate fees at a later stage.

In conclusion, having an instant fee estimate tool on a website generates more enquiries than not having one. Whilst we anticipated that this would be the case, as anecdotally we have heard from law firms who have seen improvements in instruction numbers from website quotation forms in the past, we believe this is the first study of its kind that clearly demonstrates the difference. The outcome of this study is good news for law firms who may be concerned about publishing their prices on their websites when the new price transparency regulations come into force in 2018.

Appendix 1 - average monthly search volumes between November 2016 and October 2017 through Google for conveyancing related search terms for searches performed in England and Wales¹⁷

| Keyword | Avg. Monthly Searches (exact match only) |
|------------------------------------|---|
| conveyancing solicitors | 8100 |
| conveyancing fees | 5400 |
| conveyancing quotes | 2400 |
| online conveyancing | 1300 |
| conveyancing solicitors near me | 1000 |
| cheap conveyancing | 720 |
| property conveyancing | 590 |
| compare conveyancing | 590 |
| house conveyancing | 480 |
| conveyancing solicitors london | 480 |
| conveyancing fees calculator | 480 |
| conveyancing solicitors manchester | 480 |
| average conveyancing fees | 390 |
| online conveyancing solicitors | 390 |
| conveyancing solicitors liverpool | 390 |
| conveyancing solicitors bristol | 390 |
| conveyancing solicitors birmingham | 390 |
| cheap conveyancing solicitors | 320 |
| online conveyancing quotes | 320 |
| residential conveyancing | 320 |

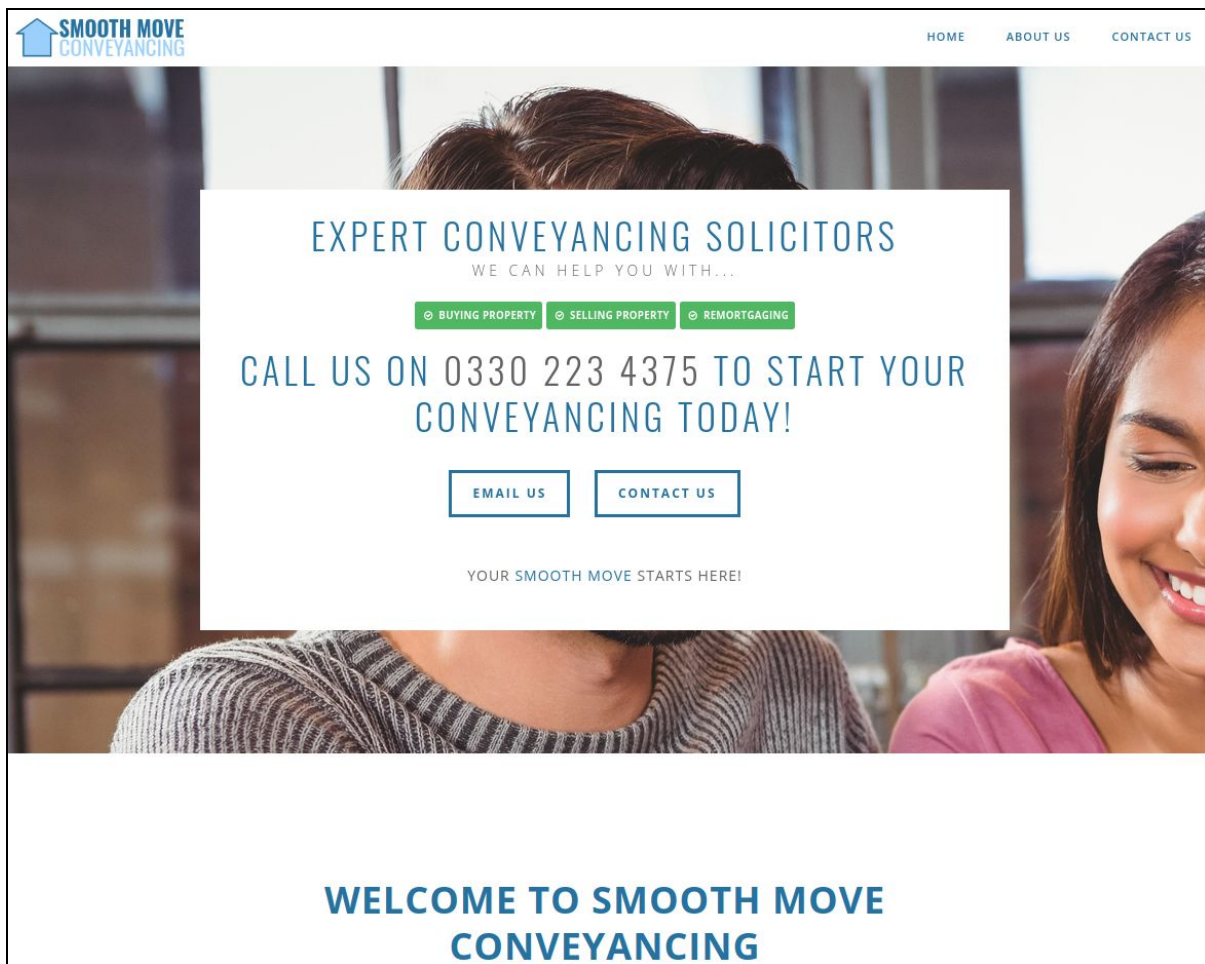
¹⁷ After removing brand names and general search terms, for example “*what is conveyancing?*”

| | |
|------------------------------------|--------------|
| conveyancing comparison | 320 |
| conveyancing solicitors cardiff | 320 |
| conveyancing calculator | 320 |
| conveyancing solicitors nottingham | 320 |
| conveyancing solicitors sheffield | 320 |
| conveyancing solicitors leeds | 320 |
| conveyancing bristol | 320 |
| conveyancing lawyer | 260 |
| fixed fee conveyancing | 260 |
| best conveyancing solicitors | 260 |
| Total | 27950 |

Appendix 2 - Screenshots of Smooth Move Conveyancing

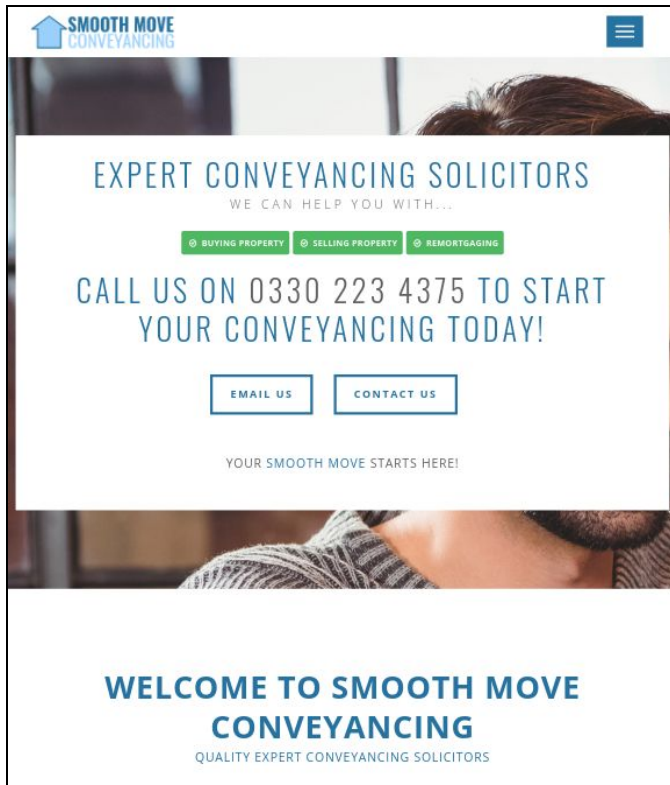
Contact Version

Desktop

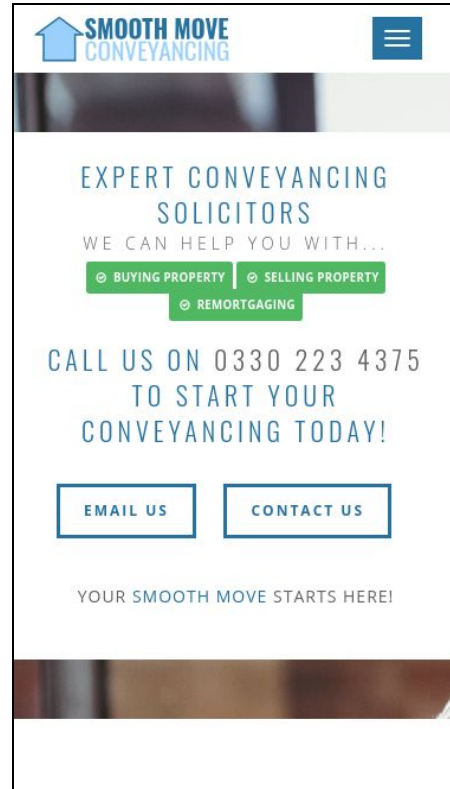


The screenshot displays the desktop version of the Smooth Move Conveyancing website. At the top left is the logo, which consists of a blue house icon followed by the text "SMOOTH MOVE CONVEYANCING". To the right of the logo is a navigation menu with three items: "HOME", "ABOUT US", and "CONTACT US". The main content area features a large background image of a smiling couple. Overlaid on this image is a white rectangular box containing the following text and elements: "EXPERT CONVEYANCING SOLICITORS" in a large, bold, blue font; "WE CAN HELP YOU WITH..." in a smaller, blue font; three green buttons with white text: "BUYING PROPERTY", "SELLING PROPERTY", and "REMORTGAGING"; "CALL US ON 0330 223 4375 TO START YOUR CONVEYANCING TODAY!" in a large, bold, blue font; two white buttons with blue text: "EMAIL US" and "CONTACT US"; and "YOUR SMOOTH MOVE STARTS HERE!" in a small, blue font. Below the main content area is a white footer section with the text "WELCOME TO SMOOTH MOVE CONVEYANCING" in a bold, blue font.

Tablet

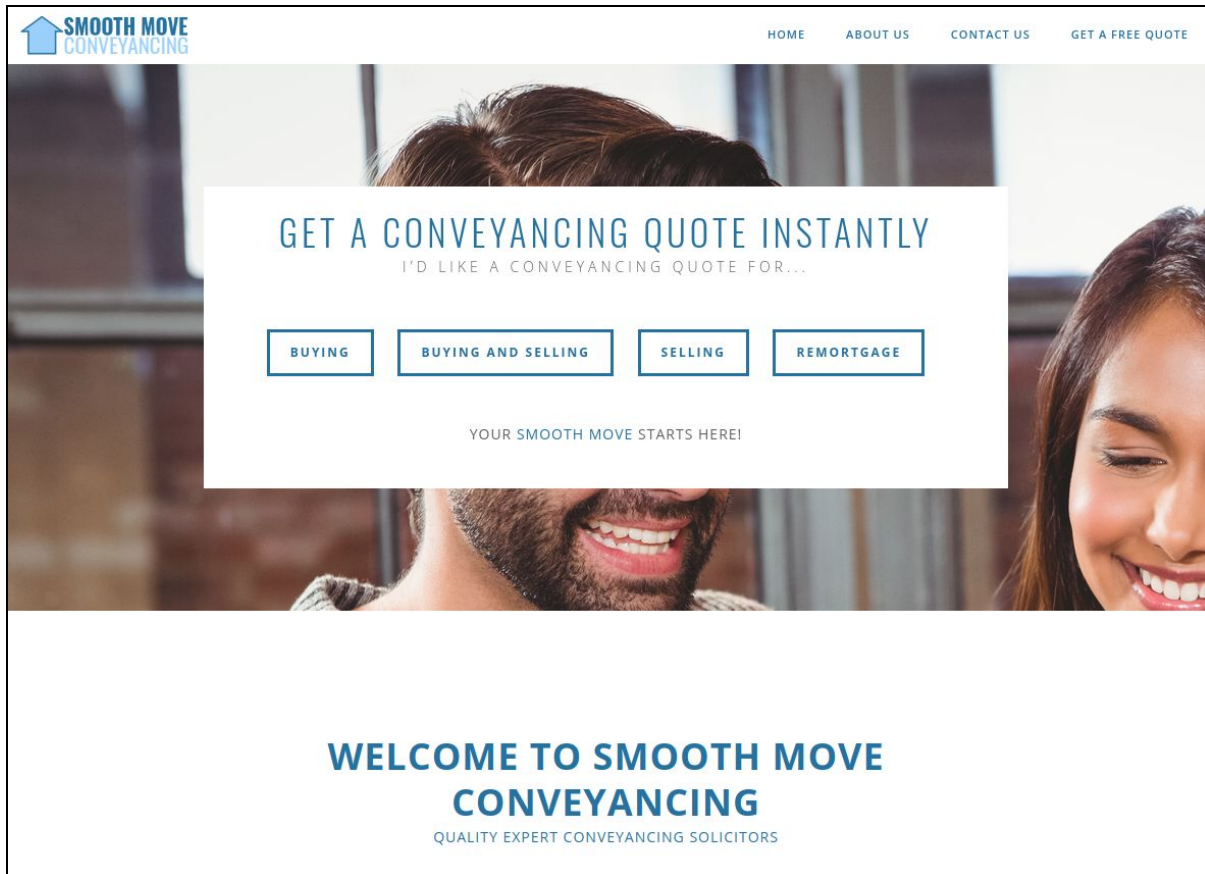


Smartphone

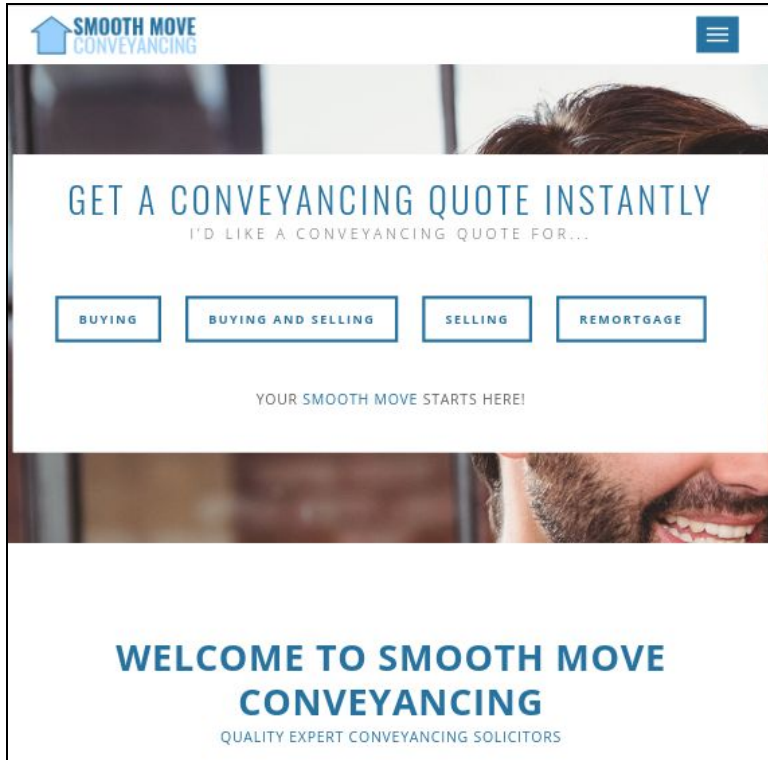


Estimate Version

Desktop



Tablet



Smartphone

