

# Understanding Effective Marketing

By Shawn Narlock

*Think of your advertising in terms of the fisherman.*

**The more you fish, the greater the chance you will catch a fish.**

**Some days the fish are biting, some days they are not.**

**If you are using the wrong bait, you won't catch any fish.**

**If you only fish on the weekends, you won't eat during the week.**

**Having many poles in the water will give you the greatest chance of catching one.**

**If your pole isn't in the water, you have no chance of catching a fish.**

**If you stop fishing, you will not survive.**

To begin the process of understanding effective marketing, you need to have a clear picture of the specific role that advertising plays in your business. Just like fishing, there are certain truths to advertising. The main truth to grasp is that **advertising is only responsible for delivering the message that you provide**. The message itself will determine the success of any marketing campaign. This is a difficult truth for many to accept because when money is spent, positive results are expected. To better illustrate this truth, here is a common scenario.

An agent places an ad or two that promotes some modest homes for sale. The ad doesn't generate any phone calls or consumer interest. The agent reasons that the failure of the ad to generate any positive results rests on the chosen advertising method. So, they select another method. Over time, when similar results occur, the frustrated agent will feel as though they are wasting their money, stop their advertising completely and make the claim that "advertising doesn't work!"

Now, let's take that same agent and place an ad that promotes that the agent will pay \$1,000 in guaranteed cash to everyone who lists their home with them. Do you think that the phone will ring from this ad? Absolutely! So, what changed? Did the advertising method change? No. It was the message itself that delivered the results. The debate can be made that some advertising methods are better than others in their overall effectiveness, but the reality of influence that rests solely on the message itself, cannot be denied. It is the message that makes the phone ring, not the method. When you understand this one truth, you will be able to approach your marketing strategy with much more confidence. You will be able to focus on which method will work best to deliver your message. When the message and the method each do their part, advertising does work. The next step is to understand your role and responsibility in the advertising process.

**The purpose of effective marketing is to bring exposure and awareness about you and the products and services you are offering to the community at large.**

**An effective marketing campaign does not take the place of a professional real estate agent. At best, marketing campaigns can create a motivated response within consumers to look into and perhaps buy what you are selling. However, the desire for your product and your sales ability are ultimately responsible for the success of your business.**

### **What you are responsible for:**

1. Your message and reputation
2. The desire for your product and services
3. Your marketing strategy and consistency
4. Your work ethic and commitment
5. Your selling ability and overall success

### **What your marketing is responsible for:**

1. Overall exposure
2. Local coverage and visibility
3. Program consistency and quality
4. Diversification of exposure
5. Cost effectiveness

### **Some uncontrollable variables:**

1. Market conditions
2. Weather
3. Seasonality
4. Buyer/seller intentions
5. Community commitment
6. Competition
7. The overall economy
8. Legislation
9. Natural disasters
10. Sociocultural factors

### **So, why should you advertise? Here are a few reasons.**

1. Changes in the market are expected and constant.
2. People have a short memory and forget fast.
3. Your competition isn't going to give up their market share.
4. Advertising strengthens your identity and reputation.
5. Advertising is essential to the survival and growth of your business.
6. Advertising enables you to hold onto your market influence.
7. Advertising maintains morale and drive within your business.
8. Advertising gives you an advantage over those who do not.
9. Advertising allows your business to continue operating.
10. If you stop advertising, everything you've invested in will be lost.
11. Your current clients and your potential clients expect you to.
12. If you are not visible within the community, you are invisible within the community.

It is assumed by everyone that a real estate agent is a professional who will provide a level of experience and expertise in selling a home that the common homeowner cannot do for themselves. **ESPECIALLY IN ADVERTISING!** In many cases, your marketing plan or lack thereof, will determine your value to a potential seller.

## **Most homeowners today have the ability and confidence to...**

- 1. Place an ad in the newspaper**
- 2. Create a professional looking flyer**
- 3. Market their home online**
- 4. Take good pictures**
- 5. Put a sign in their front yard**
- 6. Get the word out through friends and neighbors**
- 7. Find local comps to properly price their home**
- 8. Host an open house**

So, outside of what a homeowner can do for themselves, what do you bring to the table to earn your 6%? Since this is the extent of marketing that many agents do, homeowners are confident that they can do the same on their own and save the money. While most homeowners are unaware of the limitations of this strategy, many are convinced that this is all an agent would do for them anyway. As a real estate professional, you should have a more comprehensive and exclusive marketing strategy at your disposal than your average homeowner. You should be able to provide them with coverage and reach that they cannot get on their own if you are to convince them to hire you.

**When you have a clear understanding of the responsibilities of your marketing partners and the role they will play in your business, you can better determine which marketing opportunities provide you with the greatest value to maximize your overall strategy. Below are 10 thoughts to consider when choosing where to advertise and some key decisions to make that will assist you in your evaluations.**

### **1. Your advertising needs to be affordable.**

**Why?** You are hired on the assumption that you will maximize the exposure of your client's listing by advertising often. It is however, left to you to ensure that you maintain an acceptable profit margin.

**Advice:** Today's homeowners are becoming much more demanding and critical of their agent. Homeowners expect to see their home advertised in the market each month until it is sold. They are going to choose agents who are doing that. They expect their agent to earn their commission by doing the very thing they have been hired to do, market their home and sell it. This demand on an agent requires an affordable answer that doesn't sacrifice effectiveness. Cheap or free alternatives may feel great on the pocket book, but they will achieve very little in reaching your objective and offer you little in long term value. **EXPOSURE = Value!** You don't need to spend more than you must to be effective. You must educate yourself with **ALL** the available marketing tools you can invest in. Then choose one or two advertising partners that will provide you with the greatest coverage and exposure for your money. If you try to be everywhere, you will most likely spend more than is necessary and your marketing will no longer be affordable.

## **2. You need to remain consistent with your advertising.**

**Why?** To have and maintain a market presence. To remain visible in a competitive industry. To build a positive long term reputation and continue to obtain future listings. Current listings are exposed and visible until a buyer is found and this reaffirms a homeowner's choice to hire you or to retain you.

**Advice:** Affordability and consistency are two sides of the same coin. Success or failure of an agent's business often begins and ends here. Agents who only advertise when pressured to make their current clients happy or on a rare occasion, never receive the long term benefits of their investment. They are the one's who believe that advertising "doesn't work" and prove their theory to be true by not being consistent in anything. Successful agents **budget** their advertising and see it as an investment in themselves. Their budget is not set by their current or future listings or by what is happening in the market, but solely on an affordable minimum they set for their business. Like any successful business, you need to invite people to work with you and you need to sell the products you currently have. Failure to do both and your business eventually closes for a lack of clients and sales. If you consider your marketing in terms of your "business" versus something you must do when you have a listing, you will better understand the need to remain consistent in it. Repetition Builds Reputation!

## **3. The longer the shelf life, the better.**

**Why?** To maximize efficiency with your advertising budget. Daily exposure increases effectiveness.

**Advice:** The shelf life of a listing is defined by the length of its exposure in the market, the number of eyes that reach that listing and the frequency in which it can be viewed. The best way to accomplish this is to have a keen understanding of when and where people go to find a home and ensure your listings can always be found there. An agent can spend thousands of dollars on a newspaper ad that will only be viewed for one day. That is also assuming that all the newspaper subscribers read the paper that day and that they all read the real estate section of the paper that day. Highly unlikely numbers even at their best. While the newspaper has some strengths, shelf life is not one of them. (See recycling bin) Unless you have really deep pockets, you simply cannot afford to have your budget spent on only one day's worth of exposure. Real estate content websites and local print magazines that are within the community every day of the year are good examples of longer shelf life options. Consistency is vital, but it must also influence buyers and sellers for as long and as often as possible to truly be considered a cost effective investment.

## **4. Provide the best message possible and keep it engaging.**

**Why?** As stated earlier, your message is everything, so make it count. You need to cut through the noise and distractions of today's society to make an impact.

**Advice:** A recent study of media usage and ad exposure by Media Dynamics, Inc. reveals that; "the number of ads that adults are now exposed to across all five media (TV, radio, Internet, newspapers and magazines) is about 360 per day; of these, only 150-155 are even noted, and far fewer make a strong enough impact to be recalled, make an impression, and ultimately, make a sale. Advertising doesn't just offer the right product

to the right consumer at the right time. It gets them emotionally motivated to investigate and ultimately to buy the advertised product or service. That's why engagement has become so important.

Increasing engagement will help advertising break through the clutter of not only the hundreds of ad exposures per day, but of the thousands of ad and brand exposures per day." We live in a distracted and message saturated society. It is much more difficult to capture the attention of the community than it has been in years past. Begin by having attractive and market friendly price point listings to sell. What you are selling needs to meet the desire within the market. If you take on overpriced homes, you will have a difficult time selling them and waste a lot of money trying to convince the market to buy them. Also, focus on your unique skill set that separates you from your competition. Keep in mind that your current inventory does not define you. Nor should your current inventory determine your decision whether or not to advertise. Listings will come and go, you are the constant. Finally, don't be afraid to go bold to stand out. It would be unwise to go over the deep end and sacrifice your reputation. However, there is a tactful middle ground that exists that can be achieved to increase that necessary engagement factor. Stay genuine to yourself, but look for ways to keep it fresh.

## **5. Most real estate is hyper local - win the home field advantage.**

**Why?** Nationally, the average miles that consumers moved from their sold home to their new home was only 14 miles.

**Advice:** The majority of your revenue will come from your local market. Period. This is the single most important pool of people you will ever need to gain and maintain. The top producing agents in the market understand this and maximize it to their advantage. Winning your share of the local market is a vital strategy to your overall success too. Many agents miss out on this market share opportunity because they focus their advertising dollars on national real estate websites. Zillow, Trulia and Realtor.com are not designed to build your personal local brand. These sites utilize your listings for their relevance and then charge you money if the content that you provide to them actually generates a viable lead. These websites are not a part of the average consumer's day and therefore never have a genuine influence within the community. Look for specific marketing tools that reach out to local consumers where they eat, shop, work and play. Consistent local community exposure is the cornerstone to every effective long term marketing strategy.

## **6. Diversify to maximize your overall exposure.**

**Why?** There are many ways to reach potential buyers. By diversifying your marketing strategy, you have a much greater chance of reaching those potential buyers. Reach all potential buyers and sellers through their choice of interaction, not necessarily yours.

**Advice:** Consumers get their information from many online and offline sources. You shouldn't rely on one source for consumers to find you. The more areas you can show your listing, the better your chances are of finding a buyer. Every marketing tool has strengths and weaknesses which is why diversification is so important. The trick is to get them all to work together and point to you. They all have a minimum cost to make them effective, so be sure that each cost is worth it. For example, many agents spend money on a website. The website may look great, but in most cases, not enough potential buyers know about it and will use it. Most consumers begin their search online, but you rely on the consumer to find you in that process, it

is not you directly reaching out to them in their daily lives. Using offline sources like print magazines can help to strengthen the impact of your online sources and also provide a daily local exposure within the community that the internet simply can't. Companies like Pottery Barn, Land's End, and L.L. Bean utilize their print catalogs to draw consumers directly to their website and have increased their online sales as a result. Mobile marketing is also a great way to diversify by providing consumers quick and easy access to listing information conveniently from their mobile device. Social marketing is another solid way to diversify, but it is also limited by itself. Most consumers have a social web page of their own and many do not want to receive constant solicitations. When everyone is using their social page to advertise to each other, it turns many people off. Direct mail and electronic media are other options as well. With all of the various marketing tools that are available to an agent today, there is no excuse not to diversify effectively and affordably. Look for ways to cover all of the bases and also cut through the clutter.

## **7. Present your product in the best possible way.**

**Why?** Your reputation as an agent on how you are presenting your clients home in the market is important for long term success. This is their largest personal investment and it should be viewed as such.

**Advice:** A picture is still worth a thousand words. Any good salesperson wants to show their product in the best possible way to a potential buyer. That is why a homeowner spends the money they do on upgrading or staging the home before it goes on the market. A home should have the highest degree of showmanship since it is the single largest investment most people will make in their lives. A big deal. Far too many agents disregard the need to make their "product" look good and settle for less attractive alternatives. With today's technology, there is simply no reason to sacrifice color, quality and presentation. More homeowners are aware of how agents are presenting homes in the market and hire them on that basis. The care and quality you take with your clients will pay off for you in a competitive industry.

## **8. It is important for you to look your best.**

**Why?** How and where you present yourself will be a factor on all future business.

**Advice:** Like your listings, you are equally "on the market" for your professional services. Since a portion of your marketing investment is spent on building your reputation, it is a wise use of that investment in presenting yourself in the best possible way. A professional looking agent photo, a nice website and a clever email address are a start, but you need to think beyond the basics. Some deeper questions to consider might be: How are you perceived in the market? What do your listings look like when they are advertised? Can they be read or viewed clearly? Do I look professional? Do my listings look professional? Perception is a powerful thing. Much like a resume, how and where your information is presented says a lot about you and the kind of job you'll do in selling a home. Some agents don't bother with the quality of their appearance or their advertising and it shows in the market more than they realize. The fact is, you are competing against hundreds of other people for the real estate money available in your market. What is going to separate you from other agents? Ask yourself a simple question: "Why would someone choose *me* to sell their home?" Then begin the process of sharing those answers with your community. Repetition does build reputation, however, what is far more important is what that reputation actually is that you are building through your advertising.

## **9. Know what you are buying and take an active role.**

**Why?** Spend your money wisely. Take control of your business branding and message.

**Advice:** Take the time to educate yourself with **ALL** the advertising partnerships available. You need to know the strengths and limitations of each advertising tool available so you can make wise advertising decisions. Interview everyone and ask questions. You should obtain new information yearly on each advertising company so you are informed of any changes or additions that may benefit you. Most importantly, you need to be equally accountable to whomever you choose as an advertising partner so they have the information they need to achieve their potential for you. You are looking for good business partnerships to help your business succeed. You need to be a good partner for it to work. Take the time to learn and maximize all the tools that are available to you. Make sure you are involved in your ad copy, meeting required deadlines and proof as needed. Do your part to ensure the success of your investment.

## **10. Your business growth and success will take time. Be patient.**

**Why?** You should see a return on your investment based on a fair assessment of time, money spent and controllable factors.

**Advice:** You need to have a clear understanding of what advertising is and what it is not. Advertising is paying someone to tell others about you and what you have to sell. The value of your advertising is based on how many people can be reached with that message for the amount of money you will spend. The more people you can potentially reach, the greater your odds are of finding a buyer or future client. The longer you are reaching others, the better your chances are of receiving buyers and clients consistently in the future. That is what advertising is. Advertising becomes frustrating when it is expected to accomplish more than this. The truth is, there are many factors that will determine the overall success of any marketing campaign. Just some of those determining factors may include: house price, location, acreage, school district, market conditions, time of year, number of homes on the market, etc. Some of these factors can be altered for greater results, yet many others can never be altered no matter what the budget is. You need to honestly examine what it is you are asking people to buy and give yourself and your advertising partners the best chance at success. In the short term, you need to be patient and give your advertising partners a fair opportunity to get the word out. Long term success takes time, but if it's done right it will be worth every penny you ever invested in it.