

Connect!

REAL RELATIONSHIP MARKETING IDEAS



You are NOT a real estate agent.

If you're looking for long-term career success in real estate, I want to make something clear to you: You are NOT a real estate agent. At least, that's not your primary occupation.

by CHAD RUEFFERT

What you ARE is a small business owner. Real estate brokerage is simply the service your company provides, the product that you sell.

And until you begin thinking that way, and prioritizing your efforts around that new train of thought, only luck or sheer natural talent will make you successful.

Ask yourself a question: Would you take a 100% commission-based job at a company with no leadership, no vision, no business

plan and no marketing budget? Um, no.

But that's what many real estate agents do. They start working as the real estate "employee" and spend very little time being the small business "owner" whose job it is to provide a vision for the company, plan out the business activities, and determine the best sales and marketing approach to attract customers.

The number one priority of any small business is NOT creating the product.

The number one priority is obtaining the customer who will PAY you to create the product. Without the customer, even the greatest product is wasted. 58% of small business owners in a recent poll ranked "attracting and retaining clients" as their number one priority. The only reason the other 42% didn't say the same thing is that they have already done the work to attract clients, and now have the luxury of focusing on other items like improving client retention, efficiency and profitability. However, attracting

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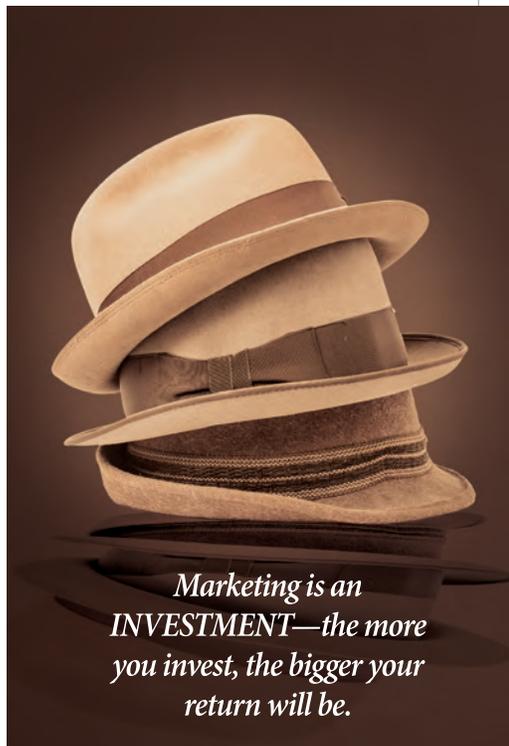


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new clients hasn't disappeared, it's likely now just the #2 priority.

My advice to real estate professionals when they ask me about growing their business is to remember that your primary profession is sales and marketing—not real estate. Every day your focus needs to be on attracting as many prospects as you can, and closing as many of those prospects as possible into paying customers. Then, and only then, should you focus on providing the actual service of real estate agent. Even



Marketing is an INVESTMENT—the more you invest, the bigger your return will be.

when you're busy listing and selling and closing, you should be prioritizing a portion of your time towards sales and marketing. And by prioritize, I mean that you do it without fail, no matter how busy you are with other activities.

I'm not saying you can or should shirk becoming an outstanding real estate agent. On the contrary, without a good "product" there is no way you'll be successful over the long run. Advertising legend Bill Bernbach once said that "Great advertising can make a bad product fail faster; it gets more people to

know it's bad." But the flip side of the statement is true as well. No advertising will make even a great product fail.

So how can you be successful as the sales and marketing director of your own small business? Here are a few basic steps that will help.

Budget for the Income You Want – Not the Income You Have

The average real estate agent spends a ridiculously small amount of money on advertising. According to some surveys, less than a third of Realtors spend more than \$1000 per year. Part of that problem comes from bad advice. Some marketing experts will tell you to budget about 10% of your income on marketing. That's fine, if you're already making as much money as you want to make and just want to continue the trend. My advice is to spend about 10% of the income you WANT to earn. If your goal is to make \$100,000 in commissions, at 10% you should be spending about \$800 to \$1,000 a month. Marketing is an INVESTMENT—the more you invest, the bigger your return will be.

If You Don't Have Money, Budget Time

As soon as you start talking about spending (I say investing) money on marketing, struggling real estate professionals stop listening. They simply don't have it, so why talk about spending it? It's OK to build slowly, so long as you continue to build. Set aside the 10% of every closing for marketing, and make it 20% if you can. Until then, remember that your time counts as money as well. If you can't afford to send a postcard, make a phone call. Instead of an ad, attend a networking event. If you can't afford Adwords, work hard on expanding your social media reach. As your time becomes more valuable, you'll find marketing will replace some of the personal sales efforts, but until then, use your time effectively!

Utilize Your Brokerage Tools

I'm regularly amazed when brokerage owners tell me about the rate of adoption

of the marketing tools and services they offer their agents. Too many agents simply don't use the services that are created for them. A large portion of your desk fees and shared commissions go into creating marketing programs to help make you more successful. Make use of them! One of the biggest excuses real estate agents use as to why they don't do more marketing is that they are not sure which tools to use. Discuss with other, successful agents at your brokerage which tools work for them and build them into your marketing.

Creativity Costs – Focus on Clean & Professional

Creative marketing can be daunting. Coming up with something unique or unusual to catch attention is difficult without a talented team and lots of time and money. And for those who try to go it alone, creativity often degenerates into cheesy and tacky. And that costs even more because bad marketing can be worse than no marketing. The good news is that creative marketing, from a small business standpoint, is overrated. Straightforward, benefit-based messaging presented to the correct target audience in a professional way is enough to make an impact.

Relationship & Referral Marketing Was Made for Real Estate

Traditional advertising is expensive. And even if you find your way into that \$1,000 a month budget, the money doesn't go very far on TV, Radio, Outdoor or Print. That's one of the reasons that the most successful real estate professionals get more than 2/3 of their business from referrals or repeat customers. They've learned to focus their sales and marketing efforts on creating a smaller group relationships that build enough trust and likeability to generate a stream of referrals, rather than trying to convince a large group of people with no prior relationship to pay attention to their marketing message.

Chad Rueffert is the president of Braintree Marketing, and the co-creator of From Your Friends Relationship Marketing for Realtors.

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