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REAL RELATIONSHIP MARKETING IDEAS



Overcoming Product Parity in Real Estate

by CHAD RUEFFERT

Product parity exists when one brand of goods or services has enough similarities with other brands of the same type that they are considered readily substitutable. Very few people say “no” when a waiter offers a Pepsi when they ordered a Coke. Other than a slight taste difference, the products are essential identical and cost the same. Parity makes marketing difficult, as there are fewer ways to stand out in the minds of your prospects.

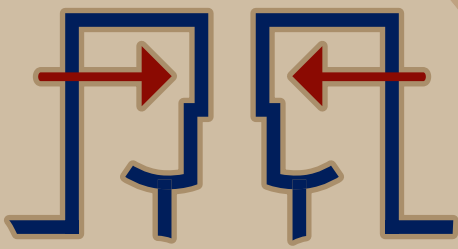
Unfortunately, in the minds of many consumers, real estate buyer and seller representation has become a parity service. No matter who you hire to represent you in your real

estate transaction, you expect the same basic price, marketing and benefits. Everyone will put you into the multiple listing service, everyone will put a sign in your yard, and most agents charge a similar commission.

When a tangible product (like soft drinks) faces parity, advertisers usually resort to image-based differentiation. Pepsi becomes the product for the younger generation while Coke becomes a “classic.” Advertisers try to convince you to buy a certain product because of the image it gives you. Advertising icon David Ogilvy once said, “The greater the similarity between brands, the less part reason plays in brand selection.”

But for services, combating parity is more difficult. You’re not going to be cooler, more hip, or attract more opposite-sex attention by choosing one real estate company or agent over another. Instead, when advertising parity services, marketers have chosen to focus on factual information, which

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is a means to add tangibility to services.

A Journal of Marketing article on the topic of parity by Gregory Pickett, Stephen Grove and David Laband, says, "Since service products are inherently difficult to grasp mentally, practical wisdom has suggested stressing concrete information and avoiding making services more "hazy" through image-laden communication."

So if consumers see most real estate brands, and most individual real estate agents, as being essentially identical in services and price, how can you

overcome that to effectively build your business? Here are a few suggestions for standing out in the crowd.

Focus on the Facts

Parity in real estate is more perception than reality. In fact, there are quite a few differences between brands, brokerages and the services and capabilities of individual agents. To overcome the perception, you'll need to educate the consumer on what the actual differences are. Concrete facts and comparisons like advanced education and designations, years of experience, sales success and average time on market can combat the parity in price and perception.

Create a bigger "Share of Voice"

When all other things are equal, top of mind awareness and name recognition are essential. This means you need to be spreading the word louder and more often than your competition.

Get Creative

Creativity is harder than imitation. But it's what gets marketing noticed when all other aspects are equal. Do whatever you can to avoid "me, too" marketing.

Find a Specialization

"Generic" real estate agents face parity. But agents who have a specialization in a focused area have a tangible difference to offer specific groups of customers.

Create New Features and Benefits

Embrace, invent and highlight things that you actually do differently than other agents, or at least that the other agents aren't mentioning. Guarantees, warranties, special marketing services, relationships with other industry professionals, free moving services...whatever additional features or benefits you can provide to the overall service package.

Embrace Relationship Marketing

When parity exists, especially in price, people will do business with someone they know, like and trust. Create a relationship marketing program that gets more people to know, like and trust you!

Chad Rueffert is president of Braintree Marketing, Inc. and the creator of the From Your Friends Relationship Marketing Program.

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