Act Now!

If you needed to capture the essence of direct marketing in only two words, “act now” would be a good choice. This famous call-to-action is what distinguishes direct marketing from other types of advertising. For many real estate professionals, marketing includes any activity that supports the goal of selling more homes. But to make the most of your marketing dollar, reach your goals and achieve powerful direct marketing results, it’s important to define our terms. Direct marketing:

- **Requests a response.** The requested response may be a phone call, a click-through to a website, subscribing to a newsletter or making a purchase.

- **Is highly measurable.** The response that makes direct marketing work also enables you to control spending and evaluate effectiveness. By asking for a specific action that you can measure, real estate direct marketers can evaluate and improve your campaign results.

- **Transcends mediums.** Direct marketing is more than direct mail. It has crossed from old to new media, and exists in both print and online channels. Postcards, yard signs, email and pay-per-click may all be forms of direct marketing when they contain a call to action. Direct advertising includes print, interactive and broadcast channels.

- **Is targeted.** As marketing technology advances, so do opportunities to segment, test and target marketing campaigns. One of the main advantages for real estate professionals who work at direct marketing is the opportunity to identify and reach profitable target audiences and niche markets in their communities.

Why is targeted direct marketing so important? As a real estate professional, prospecting and lead generation are the lifeblood of your business. Direct marketing provides a way to make personal connections with people who want and need your services.

Also, a strategic approach puts you miles ahead of real estate pros still using the “spray and pray” approach to send identical communications to generic mailing lists. It’s no exaggeration to say that real estate professionals waste millions of advertising dollars each year with ineffective marketing campaigns, sending the wrong offers to the wrong people.

The good news is that wasting marketing campaigns can be easily avoided. With a little research, strategic planning and tracking, you can create an effective – and cost-effective – pipeline to build your real estate business for years to come.
Formulas for success

As direct marketing professor and practitioner Lois Geller frequently notes in her seminars, direct marketing is a process, not an event. Many real estate professionals have sent a one-time email or postcard campaign to local residents just to “see what happens.” Don’t be one of these one-hit wonders. Although sending a single campaign seems like a harmless experiment, it can lead to two issues.

First, making decisions about the effectiveness of direct marketing based on a single campaign is not realistic. The only way to learn and improve is to test the campaign components, including the offer, list and the creative. The creative refers to the design, including colors, copy, images and more. If you’ve written off the value of direct marketing based on a single mailing, you may be wasting your marketing dollars elsewhere.

Second, it may sound counter-intuitive, but sending a single campaign actually carries more financial risk than multiple sends. Suppose your budget allows for sending 2,000 direct mail postcards. Research has shown time and again that sending 500 postcards to the same list four times will provide greater returns than a one-time mailing to 2,000 recipients. Without significant changes to your postcard design or offer, you’re almost certain to get better results by increasing your frequency.

Many direct marketers will tell you the list, or target audience, is the most important component in direct marketing, followed by the offer, then the creative content and design. In her book, SOLD! Direct Marketing for the Real Estate Pro, Geller is even more specific about the results you can expect from these three main drivers of direct marketing results:

<table>
<thead>
<tr>
<th>The List (target audience)</th>
<th>Accounts for...</th>
<th>40 percent of results</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Offer</td>
<td></td>
<td>40 percent of results</td>
</tr>
<tr>
<td>The Creative</td>
<td></td>
<td>20 percent of results</td>
</tr>
</tbody>
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So, if you’re wondering how to improve your campaigns, focus your time accordingly. A good offer and a good mailing list are about equally important, and together determine about 80 percent of campaign results, while the creative treatment is responsible for about 20 percent of results.
Get a CLUE

Is this beginning to sound like the old CLUE Board game, in which players had to assemble three clues to solve a murder? Was it Colonel Mustard in the conservatory with the candlestick? Direct marketing works in much the same way.

By sending different offers and creative treatments to different lists and carefully tracking the results, you’ll eventually hit on those winning combinations that send results through the roof. Mystery solved. There’s no shortcut. Direct marketing done right requires some work, but it can mean great rewards for your real estate practice.

Sidebar: direct marketing campaign checklist:
For each direct marketing campaign, real estate pros may want to record:
- Campaign Dates and Description
- Quantity sent
- Recipient list, source and cost if any
- Type of creative
- Responses received
- New contacts received
- Clients received
- Resulting sales
- Subsequent sales (eventual sales resulting from campaign)
- Total cost of campaign
- Cost of obtaining one new contact (# of contacts / total campaign cost)
- Cost of obtaining one sale (# of sales / total campaign cost)
- Return (or loss) on Investment

So that’s why I get so much direct mail?

Yes, direct mail remains extremely popular because it can be an extremely effective – and cost-effective – marketing strategy for acquiring and keeping clients. And the organizations sending the largest volumes of direct mail, like Dell, Office Depot, Land’s End and Pottery Barn are also some of the most skilled direct marketers out there.

The fact that much of their work is discarded and never read doesn’t bother experienced direct marketers. They know how much of what type of mailing they need to send, to whom, and how often, to achieve results.

People love to complain about junk mail, but a recent study by market research firm InfoTrends showed that 61 percent of consumers would rather receive offers via direct mail than e-mail – nearly triple the amount who preferred receiving ads via e-mail.
Direct marketing lists that work

Let’s say you have sent an offer for a Free Marketing Consultation to a mailing list of 250 people you have compiled that includes family, friends, and current and past clients. Your offer generates a referral leading to a sale, several business leads, and a couple notes from past clients wanting to say hello. Encouraged, you decide to expand your empire and invest a few dollars in sending the same offer to a purchased list of 1,000 local respondents.

Instead of four times the results, you see few responses and no sales from your marketing spend. An expensive exercise, but some valuable lessons to be learned. First, lists are about quantity, not quality. This applies to whether you’re sending e-mail, postal mail or distributing door hangers. Depending on the source, a decent response rate for purchased mailing lists may be 1-2 percent, and actual results are often less.

Too many real estate professionals focus only on the size of their contact lists. Having a large number of contacts is important to your business, but more sophisticated direct marketers focus on metrics that are tied to revenue and relationships. Your total number of contacts is more useful when you know how those numbers affect your sales pipeline.

For example, if you have tracked your sales pipeline and know that 100 prospects turn into about five good leads, and two of those leads become sales, then the size of your list has more meaning. If your goal is to have 20 sales this year, you probably need to maintain about 1,000 names in your contact database. Not an impossible goal, but one that certainly takes some work and dedication to accomplish.

In addition, since you know that about 2 percent of your prospect list turns into sales, you know what you will need to maintain approximately 1,000 more prospects (or double your conversion efforts) to double your sales. We use the word maintain because every month, you will lose a certain number of prospects. Whether they decide not to sell, go with a competitor, rent instead of buying or fall off a cliff, they must be replaced in your prospecting database.

The InfoTrends market research study found that the use of direct mail remains popular, the study also examined consumer behavior and preferences regarding direct mail offers:

- Consumers say that only 31 percent of the direct mail they receive contains personalized content that they find useful. With today’s affordable database technology, there’s no reason not to personalize direct mail. Good news – today, personalization doesn’t require much more effort than non-personalized mailings. Better news – personalization can send conversion rates soaring, and about 70 percent of your competitors don’t do it. Some vendors, including, enable real estate professionals to create personalized campaigns online, in minutes using the Marketing Design Center.

- A high level of trust exists in the U.S. Postal Services. This is important for segments of the audience who prefer to receive information in the mail. An added benefit is that postal mail never falls victim to spam filters or do-not-call lists.

- Consumers like high-quality, colorful images. Digital press technology has raised the bar for real estate direct mail, and running off a few hundred copies at the local copy shop may not be enough to stand out in the flood of direct mail every household receives.
The Offer They Can’t Refuse

What’s a good offer? In direct marketing, it’s one that persuades prospects to take some action in response to your offer. Putting the right offer in front of the right person at the right time is a challenge. And unless you have a very well-defined niche market, it’s unlikely that any single offer will appear to all the prospects you want to reach. That’s why it’s important to experiment with different offers at different times, and different recipients.

For example, research shows that Americans typically buy a new home every five to seven years. The trick for real estate professionals is to be the first person prospects think of when they start to consider buying or selling. You can think of the offers that don’t hit the mark as wasted money, or as an investment in building your marketing knowledge and brand visibility.

Another response booster is personalization. It takes a little more effort to produce personalized direct marketing pieces, but many studies have shown that simply personalizing a direct marketing piece with the recipient’s first name will boost response a few percentage points. Other response boosters include full-color printing and professional copywriting and design. And although our formula shows that direct marketing creative is responsible for just 20 percent of results, there are numerous case studies showing that simply changing a headline can double or triple response rates.

Many real estate professionals think they don’t have time to focus on longer-term prospects, but ignoring them can be very costly in terms of missed opportunities. Those real estate pros who do invest in ongoing direct mail or marketing campaigns often win business from agents who focus only on prospects who are ready to buy or sell.

One way to improve all offers is to clearly outline a problem and the solution you’re offering. If you’re in a slow market, offer FREE staging advice to help sell homes quickly for a higher price. After outlining the problem and your solution, be sure to provide a clear, compelling description of the benefits your prospects can expect to enjoy if they take advantage of your services.
**Sidebar: Get permission to sell**

In 1998, marketing guru Seth Godin urged the marketing world to stop interrupting and shouting for attention and start asking for permission. His model for effective marketing begins with the premise that each of us is exposed to hundreds of advertising messages each week, so we only pay attention to the few that stand out as worthy of our attention. Mass marketing was out, and permission marketing - gaining people’s attention by offering relevant, entertaining information - was in. The exchange might be that prospective customers agree to receive marketing messages in exchange for something they care about, like coupons, frequent flyer miles or the chance to enter a contest.

It may seem commonplace now, but in the mid-90s when Godin was presenting his ideas about permission marketing, many advertisers were pouring money into mass-media channels such as television, radio, newspapers and magazines.

As the internet evolved and consumers gained even more ability to control which marketing messages they want, permission marketing took off. Getting permission is one of the most important aspects of direct marketing. Some marketers argue that mediums like direct mail and email marketing are inherently interruptive. The bottom line is that your marketing needs to say to a prospect, “May I have a moment of your attention?” If your offer isn’t relevant and compelling, the answer is no.

**Time to get creative**

A direct marketing campaign’s copy and design are sometimes called a “creative.” The creative may be a postcard, sales letter, email or web page. Savvy direct marketers spend a lot of time planning, testing and tuning creatives. There are lots of debates about what kind of creative treatments are most effective, but to paraphrase advertising pioneer David Ogilvy:

*In direct marketing, if it’s not creating response, it isn’t creative.*

In fact, some of the direct marketing pieces you receive that might be consider cluttered and unattractive are actually strong performing-campaigns from which you can get ideas. How can you tell? Have you ever received nearly identical direct response letters or postcards several times from the same company? Chances are that you’re looking at a winner – a creative design that’s been repeatedly tested by an advertiser and performed so well, it was re-used in various campaigns.
Here are some tips to help real estate pros get creative and get results:

1. **Align your goals with those of your audience**
   Looking at some real estate marketing materials is like peering through the wrong end of a telescope. Instead of featuring an offer that’s valuable to recipients, the content focuses on the agent and the brand. The agent’s achievements, background, qualifications, and the real estate brand’s reputation are important, but they are not the attention-grabbers needed to persuade prospects to respond. If the reader can’t quickly draw a direct connection between your message and their own interests, your content doesn’t count. It may help to outline the audience needs, your solutions and the successful outcome the recipient can expect. Write your copy so your reader is the star and you are the supporting cast.

2. **Clearly define your success criteria.**
   Real estate professionals who begin with vague goals achieve marginal results. Start with a general such as “building brand awareness” or “keeping in touch” will make it difficult to measure your marketing effectiveness. It’s more likely that you want readers to take some action as a result. By measuring more specific results - capturing 100 new email addresses, 25 requests for additional information or five qualified leads – you will have a better idea of your success.

3. **People don’t read, they scan.**
   Most people won’t read all of your copy, and some won’t read any at all. Most will scan your pages for something eye-catching and move on if it’s not there. Take the time to craft an attention-getting headline and use short, punchy text and move readers onward. Think in terms of “chunking” information because people may begin reading at the beginning, middle or end. Headlines are most important, then your call to action (Act Now!), then body copy.
4. Use fewer words.  
Think of your words and sentences as individual workers, each with a specific role to play in creating a response. If it’s not the best word or sentence or it’s not boosting your message’s effectiveness, take it out. You don’t need to provide a complete description of your services as a real estate professional – that comes later. Keep in mind that your only immediate goal is the response. Then, when people click, call or email you, you tell the rest of your story.

5. Let the words do the work.  
Identify the strongest benefits of your product or service and present them in clear, convincing language. Don’t try to grab attention with loud colors, excessive bolding, capitalization or punctuation. In addition to compromising your credibility, it makes for a spotty, unattractive page on the reader’s computer screen. As F. Scott Fitzgerald said, overusing exclamation points is like laughing at your own jokes.

6. What is the offer? What’s in it for me? What’s my next step?  
Try this test: Show a friend or colleague your offer. After reading it once, can they answer the three questions above? Your offer should answer these important questions quickly and clearly for the reader. In many advertisements, the clarity of the offer is the most significant barrier to response. Make sure the basics are covered before trying clever copy and attention-getting devices.

7. First the horse, then the cart.  
In writing copy, many marketers try to jump from introduction to sale too quickly. Building customer trust is not a one-step process. Asking for a sale before you have clearly established trust and demonstrated value is a sure way to alienate potential customers.

Direct mail veterans know that most people sort their mail with an eye toward discarding irrelevant offers before making a stack of mail they plan to look at. If they see an eye-catching, personalized direct mail piece with a timely and compelling offer, they may read it and immediately respond.
Happy landings for real estate pros – Direct marketing on the web

For many real estate pros, the most effective response devices are offers directing prospects to agent websites. According to the 2010 NAR Profile of Home Buyers and Sellers, 90% of buyers used the internet to search for homes. Many prospects who see your offer will not be ready to pick up the phone and call you. For those people, having the option to learn more about you before deciding to make contact is critical.

The issue for many agents is a disconnect between a very specific offer and a very general website. Because many agents don’t have the time or technical resources to create offer pages, or landing pages, site visitors are often directed to a home page and must navigate through the site to find the promised offer. The issue is that very few site visitors have the time or patience to find their way through your website.

The result is a high “bounce rate,” the percentage of visitors who arrive at your site, fail to find something compelling and quickly click off. Here are some ways to make direct respondents feel welcome on your website:

- **If your postcard, for example, is sending respondents to your website, try repeating the offer, including the headline and key phrases, on the landing page.** This is especially important with free offers, which make many people think, “What’s the catch?” Repeating the offer also quickly orients readers and assures them that they are in the right place so they can continue on to your offer.

- **Ensure text and images are complementary.** It seems obvious, but many direct marketing pieces contain images that don’t explain or illustrate the offer. If you’re using a strong photo to capture people’s attention on your postcard or sales letter, try using the same or a similar one on your offer page. Real estate is a highly visual medium, so it’s surprising to see so many listings with low-quality images or with no photos at all. Don’t skimp…use high-quality images on all your direct marketing offers and landing pages.

- **One offer per page is best.** The reason it’s not good to send prospects who respond to your offer to your home page is decision paralysis. Your home page probably has numerous images, links and options for visitors to choose from. They may follow another path and forget about your offer. It’s more effective to send visitors to a single-purpose landing page and make it as easy as possible for them to accept your offer.

- **KISS – Keep it short and simple.** The purpose of the landing page may be to have readers sign up to receive your email newsletter. If your offer is about your newsletter, explain the benefits of receiving the newsletter and move quick toward the goal of collecting a name and email address. Establishing an ongoing relationship with a prospect at this point is more important than listing your other services, awards and community service.
• Asking visitors for information causes anxiety, even for free offers. As a general rule, only ask for the information that’s necessary to complete your transaction. If your offer is to receive a report on neighborhood schools via email, don’t make address and phone number fields mandatory. If you’re offering a free instant home valuation, you will need the address…make the information you request appropriate to your offer.

• Remember to keep text to a minimum on landing pages. Use a strong headline that matches your original offer. If your postcard or email says “Prepare your home to sell for top dollar,” then repeat that headline on your landing page. Use short paragraphs and bullet points to lead the reader’s eye down the page to your offer. Save the many other services you offer for a different page.

Finally, be sure to make your call-to-action highly visible. Some landing pages bury the call-to-action in a block of copy or make readers scroll down a long page just to find the TRY IT FREE button. If you don’t have a button, there’s nothing wrong with putting your offer in capital letters or red text. There is a time for subtlety, but this is not that time.

Be an expert: Converting respondents to clients

So you’ve planned and executed your successful direct marketing campaign and responses are beginning to pour in. How do you convert respondents to clients? One key is to connect the respondent with the campaign. Start with what you know about the respondent and your offer. The conversation you have with someone who responds to your offer of a free home valuation should be tailored to their needs, not the same as conversation as the person you met at an open house.

Ask key questions to learn more about your prospect’s goals and requirements. Your questions should qualify prospect as to their readiness to buy or sell, but also to uncover their concerns and pain points. Aligning the prospect’s problems with the solutions you offer will provide a much better chance of closing the sale.

Your prospect is looking for a trusted advisor to guide her through a complex transaction, not a salesperson. As John Graham, author of Break the Rules of Selling says,

“It’s better to be known for knowing something, not just selling something.”

Graham says that to close a sale, your prospect should come to the conclusion early in your presentation that you’re an expert in your field. One way to establish your expertise is to present the right materials. Agents who show up with MLS printouts and photocopies won’t make a strong impression – particularly if a prospect came to you through a professional-looking direct marketing campaign.
One highly effective way to illustrate your expertise is to tell a story. Not the Three Bears, but a real estate success story that highlights the particular expertise your prospect needs. People forget numbers and details, but they will remember a story of how you helped a past client sell quickly, find their dream home or avoid some thorny legal problems. Your story should support your sales message and your claims to real estate expertise. And just as professional presenters spend hours honing their craft, you should practice your real estate success stories with friends and colleagues so you can deliver them effectively at the right time.

**Don’t just tell them – show them**

A consistent goal we’ve had over the past decade at Homes.com is to provide real estate professionals with products and services that save you time so you can focus on your core business - servicing your customers.

Be sure your presentation incorporates your personal brand in addition to individual property information. To learn more about how Homes.com can provide these solutions for you call (888) 510-8795.